

laws relative to the rights of persons accused of criminal offenses and ordinance violations; to provide for the arrest of persons charged with or suspected of criminal offenses and ordinance violations; to provide for bail of persons arrested for or accused of criminal offenses and ordinance violations; to provide for the examination of persons accused of criminal offenses; to regulate the procedure relative to grand juries, indictments, informations, and proceedings before trial; to provide for trials of persons complained of or indicted for criminal offenses and ordinance violations and to provide for the procedure in those trials; to provide for judgments and sentences of persons convicted of criminal offenses and ordinance violations; to establish a sentencing commission and to prescribe its powers and duties; to provide for procedure relating to new trials and appeals in criminal and ordinance violation cases; to provide a uniform system of probation throughout this state and the appointment of probation officers; to prescribe the powers, duties, and compensation of probation officers; to provide penalties for the violation of the duties of probation officers; to provide for procedure governing proceedings to prevent crime and proceedings for the discovery of crime; to provide for fees of officers, witnesses, and others in criminal and ordinance violation cases; to set forth miscellaneous provisions as to criminal procedure in certain cases; to provide penalties for the violation of certain provisions of this act; and to repeal all acts and parts of acts inconsistent with or contravening any of the provisions of this act," by amending section 22 of chapter XV (MCL 775.22), as added by 1993 PA 343.

*The People of the State of Michigan enact:*

## CHAPTER XV

### **775.22 Allocation and application of money collected; "victim payment" defined.**

Sec. 22. (1) If a person is subject to any combination of fines, costs, restitution, assessments, probation or parole supervision fees, or other payments arising out of the same criminal proceeding, money collected from that person for the payment of fines, costs, restitution, assessments, probation or parole supervision fees, or other payments shall be allocated as provided in this section.

(2) Except as otherwise provided in this subsection, if a person is subject to payment of victim payments and any combination of other fines, costs, assessments, probation or parole supervision fees, or other payments, 50% of all money collected from that person shall be applied to payment of victim payments, and the balance shall be applied to payment of fines, costs, supervision fees, and other assessments or payments. If any fines, costs, supervision fees, or other assessments or payments remain unpaid after all of the victim payments have been paid, any additional money collected shall be applied to payment of those fines, costs, supervision fees, or other assessments or payments. If any victim payments remain unpaid after all of the fines, costs, supervision fees, or other assessments or payments have been paid, any additional money collected shall be applied toward payment of those victim payments.

(3) In cases involving prosecutions for violations of state law, money allocated under subsection (2) for payment of fines, costs, probation and parole supervision fees, and assessments or payments other than victim payments shall be applied in the following order of priority:

(a) Payment of the minimum state cost prescribed by section 1j of chapter IX.

- (b) Payment of other costs.
- (c) Payment of fines.
- (d) Payment of probation or parole supervision fees.
- (e) Payment of assessments and other payments.

(4) In cases involving prosecutions for violations of local ordinances, money allocated under subsection (2) for payment of fines, costs, and assessments or payments other than victim payments shall be applied in the following order of priority:

- (a) Payment of the minimum state cost prescribed by section 1j of chapter IX.
- (b) Payment of fines and other costs.
- (c) Payment of assessments and other payments.

(5) As used in this section, “victim payment” means restitution ordered to be paid to the victim or the victim’s estate, but not to a person who reimbursed the victim for his or her loss, or an assessment ordered under section 5 of 1989 PA 196, MCL 780.905.

**Effective date.**

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

This act is ordered to take immediate effect.

Approved July 24, 2003.

Filed with Secretary of State July 24, 2003.

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**[No. 103]**

**(SB 462)**

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 sections 312b, 312c, 811a, and 811b (MCL 257.312b, 257.312c, 257.811a, and 257.811b), section 312b as amended by 2000 PA 456, section 312c as amended by 1996 PA 345, section 811a as amended by 1992 PA 59, and section 811b as added by 1987 PA 85.

*The People of the State of Michigan enact:*

**257.312b Motorcycle endorsement; examination; motorcycle safety course; waiver of driving test; autocycle or 3-wheeled motorcycle; restriction; development of driving test; rules; audit; third party motorcycle program; prohibited conduct.**

Sec. 312b. (1) Before a person who is less than 18 years of age is issued an original motorcycle endorsement on an operator's or chauffeur's license, the person shall pass an examination as required by this section and a motorcycle safety course as provided in section 811a or 811b.

(2) Before a person who is 18 years of age or older is issued an original motorcycle endorsement on an operator's or chauffeur's license, the person shall pass an examination as required by this section. A person who fails this examination 2 or more times is required to successfully complete a motorcycle safety course as provided in section 811a or 811b. Each written examination given an applicant for a motorcycle endorsement on an operator's or chauffeur's license as provided in section 309 shall also include subjects designed to cover a motorcycle. A person shall pass an examination that shall include a driving test designed to test the competency of the applicant for the first motorcycle endorsement on an operator's or chauffeur's license to operate a motorcycle upon the roads and highways of this state with safety to himself or herself and other persons and property. All examinations shall be administered as provided in this act. The requirement of a motorcycle driving test shall be waived for an applicant who has successfully completed a motorcycle safety course conducted by a school or business enterprise as provided in section 811a or 811b. The motorcycle safety course skills test shall meet or exceed the motorcycle skills test from the secretary of state. The requirement of a motorcycle driving test may be waived if the applicant has a valid license or endorsement to operate a motorcycle from another state.

(3) A motorcycle endorsement issued to a person who operates a 3-wheeled motorcycle or an autocycle shall be restricted to operation of that type of motorcycle and does not permit operation of a 2-wheeled motorcycle. The secretary of state shall develop a driving test specifically pertaining to an autocycle or a 3-wheeled motorcycle.

(4) The secretary of state is responsible for establishing and conducting the motorcycle operator driving test and shall promulgate rules under the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, for purposes of this subsection. An audit of the motorcycle safety fund shall be conducted by the office of the auditor general to determine compliance with the requirement that funds are being withdrawn only in relation to this act. A copy of the audit shall be transmitted to the legislature upon completion.

(5) The secretary of state may enter into an agreement with another public or private person or agency to conduct a driving test required under this section. In an agreement with another person or agency to conduct a driving test under this section, the secretary of state may prescribe the method and examination criteria to be followed by the person or agency when conducting the driving test and the form of the certification to be issued to a person who satisfactorily completes a driving test. For administering and overseeing a third party motorcycle testing program, the secretary of state shall be reimbursed from the motorcycle safety fund a total amount that does not exceed 50% of the department's 1995-1996 fiscal year appropriation for motorcycle testing under this section.

(6) A person who corrupts or attempts to corrupt a person or agency that conducts a driving test under an agreement entered into with the secretary of state under this section by giving, offering, or promising any gift or gratuity with the intent to influence

the opinion or decision of the person or agency conducting the driving test is guilty of a felony.

(7) A designated examining officer appointed or designated by the secretary of state who conducts a driving test under an agreement entered into under this section and who varies from, shortens, or in any other way changes the method or examination criteria prescribed to be followed under that agreement in conducting a driving test under this section is guilty of a felony.

(8) A person who forges, counterfeits, or alters a satisfactorily completed driving test certification issued by a designated examining officer appointed or designated by the secretary of state under this section is guilty of a felony.

**257.312c Motorcycle endorsement; application; fee; disposition of money.**

Sec. 312c. (1) Every application for a motorcycle endorsement on an operator’s or chauffeur’s license for operation of motorcycles as provided in section 312a shall be accompanied by the following fees which shall be in addition to any other original or renewal operator or chauffeur license fee:

Original motorcycle endorsement .....	\$13.50
Renewal of motorcycle endorsement .....	\$ 5.00.

(2) Except as otherwise provided in this subsection, the money received and collected under this section shall be deposited in the state treasury to the credit of the general fund. The secretary of state shall refund out of the fees collected to each county or municipality, acting as an examining officer or examining bureau, \$3.00 for each applicant examined for a first endorsement to a 3- or 4-year operator’s or chauffeur’s license, \$2.50 for each original endorsement to a 2-year operator’s or chauffeur’s license, \$1.50 for each renewal endorsement to a 2-year operator’s or chauffeur’s license, and \$1.50 for every other applicant examined whose application is not denied, on the condition, however, that the money refunded shall be paid to the county or local treasurer and is appropriated to the county, municipality, or officer or bureau receiving the money for the purpose of carrying out this act. Ten dollars of each original motorcycle endorsement and \$3.00 of each renewal motorcycle endorsement shall be placed in a motorcycle safety fund in the state treasury and shall be used only by the secretary of state for the motorcycle safety education program as provided under section 811a.

**257.811a Motorcycle safety course; conducting; amount and use of fees; duties of secretary of state; rules; designation, qualifications, and funding of state coordinator of motorcycle safety education program; annual inspections; fulfillment of waiver requirement; audit.**

Sec. 811a. (1) A motorcycle safety course required under section 312b conducted by a college or university, an intermediate school district, a local school district, a law enforcement agency, or any other governmental agency located in this state shall be conducted under this section.

(2) Except for motorcycle safety courses conducted under section 811b, an applicant for a motorcycle safety course shall pay not more than a \$25.00 course fee. The course fees shall be used only for funding the administration and implementation of the motorcycle safety education program.

(3) The secretary of state is responsible for the establishment and administration of motorcycle safety courses and shall promulgate rules pursuant to the administrative

procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, regarding teacher qualifications, reimbursement procedures, the establishment of the courses, and other requirements under this section.

(4) The secretary of state shall designate a person to be the state coordinator of the motorcycle safety education program. The person designated under this subsection shall successfully complete a motorcycle safety rider coach course before being designated.

(5) The position of state coordinator of the motorcycle safety education program shall be funded by the motorcycle safety fund.

(6) The secretary of state shall designate a person who has successfully completed a motorcycle safety rider coach course to perform annual inspections of motorcycle course sites.

(7) An 8-hour motorcycle safety course that meets the standards established by the secretary of state may be offered to an applicant who has passed a motorcycle operator skill test that has been approved by the secretary of state. Successful completion of a motorcycle safety course under this subsection shall fulfill the waiver requirement of section 312b.

(8) An audit of the motorcycle safety fund shall be conducted by the office of the auditor general to determine compliance with the requirements of this act with regard to the collection and expenditure of fees authorized under this section. A copy of this audit shall be transmitted to the legislature upon completion.

### **257.811b Motorcycle safety course conducted by private business enterprise; rules; fulfillment of waiver requirement.**

Sec. 811b. (1) A motorcycle safety course required in section 312b may be conducted by a private business enterprise.

(2) The secretary of state shall promulgate rules pursuant to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, to provide standards for the establishment and regulation of motorcycle safety courses conducted under this section.

(3) An 8-hour motorcycle safety course that meets the standards established by the secretary of state may be offered to an applicant who has passed a motorcycle operator skill test which has been approved by the secretary of state. Successful completion of a motorcycle safety course under this subsection shall fulfill the waiver requirement of section 312b.

#### **Effective date.**

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

This act is ordered to take immediate effect.

Approved July 24, 2003.

Filed with Secretary of State July 24, 2003.

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**[No. 104]**

**(SB 480)**

AN ACT to amend 1931 PA 189, entitled "An act to regulate the sale and distribution of nursery stock, plants, and plant products; to prevent the introduction into and the dissemination within this state of insect pests and plant diseases; to provide for the destruction and control of insect pests and plant diseases; to provide for the destruction

of certain plants by owners of certain fruit trees; to provide for license and to provide for inspection; and imposing certain powers and duties on the director of agriculture; to provide for the promulgation of rules; and to prescribe penalties,” by amending section 9 (MCL 286.209), as amended by 1982 PA 157.

*The People of the State of Michigan enact:*

**286.209 License required for sale of nursery stock; application; payment, disposition, and use of fees; horticulture fund; creation and administration; advisory committee; section inapplicable to certain persons.**

Sec. 9. (1) A person, firm, partnership, association, or corporation growing or desiring to sell nursery stock in this state shall, on or before October 31, 1982 and October 31 of each year, apply to the director for a license. Until September 30, 2003 or after September 30, 2007, the annual nursery license fee shall be \$50.00, and beginning October 1, 2003 through September 30, 2007, the annual nursery license fee shall be \$100.00. Until September 30, 2003 or after September 30, 2007, the annual license fee for plant growers or plant dealers shall be \$20.00, and beginning October 1, 2003 through September 30, 2007, the annual license fee for plant growers or plant dealers shall be \$100.00. The annual license fee for nursery dealers shall be \$100.00. For persons growing less than 1/4 acre of nursery stock or utilizing less than 200 square feet of greenhouse space and only from October 1, 2003 through September 30, 2007, the fee for a license is \$40.00. License fees provided for in this act shall become due and payable at the office of the director on or before October 31 of each year.

(2) Except as otherwise provided in subsection (3), fees collected under this act shall be paid into the general fund of the state and shall be used in enforcement of this act.

(3) Beginning October 1, 2003, the horticulture fund is created within the state treasury. The state treasurer may receive money or other assets from any source for deposit into the fund. From October 1, 2003 until September 30, 2007, up to \$70,000.00 of the funds generated through licensing shall be deposited into the horticulture fund each year. The state treasurer shall direct the investments of the horticulture fund. The state treasurer shall credit interest and earnings from fund investments to the fund. Assets in the fund at the close of the fiscal year shall remain in the fund and shall not lapse to the general fund. The director shall administer the fund and shall expend money from the fund, upon appropriation, to provide for research projects, to develop and improve training programs, and to develop outreach materials for the purposes of safeguarding plants and plant products from unwanted plant pests. The director shall administer the fund with advice and consultation from a horticultural advisory committee. After September 30, 2007, the fund shall no longer exist and the money in the fund shall revert to the general fund for use as described in subsection (2).

(4) There is created a horticulture advisory committee. Members of this committee, to be named by the director, shall include representatives from the horticulture industry.

(5) This section does not apply to persons engaged in fruit growing who are not nurserymen but desire to sell or exchange surplus small fruit plants of their own growing, or to farmers or other persons who may sell or give away native shade trees, native shrubs, native vines, native hardy perennials, or native evergreens from their own premises.

This act is ordered to take immediate effect.

Approved July 24, 2003.

Filed with Secretary of State July 24, 2003.

**[No. 105]****(SB 520)**

AN ACT to amend 1893 PA 206, entitled “An act to provide for the assessment of rights and interests, including leasehold interests, in property and the levy and collection of taxes on property, and for the collection of taxes levied; making those taxes a lien on the property taxed, establishing and continuing the lien, providing for the sale or forfeiture and conveyance of property delinquent for taxes, and for the inspection and disposition of lands bid off to the state and not redeemed or purchased; to provide for the establishment of a delinquent tax revolving fund and the borrowing of money by counties and the issuance of notes; to define and limit the jurisdiction of the courts in proceedings in connection with property delinquent for taxes; to limit the time within which actions may be brought; to prescribe certain limitations with respect to rates of taxation; to prescribe certain powers and duties of certain officers, departments, agencies, and political subdivisions of this state; to provide for certain reimbursements of certain expenses incurred by units of local government; to provide penalties for the violation of this act; and to repeal acts and parts of acts,” by amending sections 7cc, 7ee, 24c, and 53b (MCL 211.7cc, 211.7ee, 211.24c, and 211.53b), sections 7cc and 53b as amended by 2002 PA 624, section 7ee as amended by 1996 PA 476, and section 24c as amended by 2002 PA 620.

*The People of the State of Michigan enact:*

**211.7cc Homestead exemption from tax levied by local school district for school operating purposes; procedures.**

Sec. 7cc. (1) A homestead is exempt from the tax levied by a local school district for school operating purposes to the extent provided under section 1211 of the revised school code, 1976 PA 451, MCL 380.1211, if an owner of that homestead claims an exemption as provided in this section. Notwithstanding the tax day provided in section 2, for taxes levied before January 1, 2004, the status of property as a homestead shall be determined on the date an affidavit claiming an exemption is filed under subsection (2). For taxes levied after December 31, 2003, the status of property as a homestead shall be determined on the tax day provided in section 2.

(2) An owner of property may claim an exemption under this section by filing an affidavit on or before May 1 for taxes levied before January 1, 2004 and the tax day as provided in section 2 for taxes levied after December 31, 2003 with the local tax collecting unit in which the property is located. The affidavit shall state that the property is owned and occupied as a homestead by that owner of the property on the date that the affidavit is signed. The affidavit shall be on a form prescribed by the department of treasury. One copy of the affidavit shall be retained by the owner, 1 copy shall be retained by the local tax collecting unit until any appeal or audit period under this act has expired, and 1 copy shall be forwarded to the department of treasury pursuant to subsection (4), together with all information submitted under subsection (27) for a cooperative housing corporation. The affidavit shall require the owner claiming the exemption to indicate if that owner or that owner's spouse has claimed another exemption on property in this state that is not rescinded or a substantially similar exemption, deduction, or credit on property in another state that is not rescinded. If the affidavit requires an owner to include a social security number, that owner's number is subject to the disclosure restrictions in 1941 PA 122, MCL 205.1 to 205.31.

(3) A husband and wife who are required to file or who do file a joint Michigan income tax return are entitled to not more than 1 homestead exemption. A person is not entitled to a homestead exemption under this section if any of the following conditions occur:

(a) That person has claimed a substantially similar exemption, deduction, or credit on property in another state that is not rescinded.

(b) Subject to subdivision (a), that person or his or her spouse owns property in a state other than this state for which that person or his or her spouse claims an exemption, deduction, or credit substantially similar to the homestead exemption provided under this section, unless that person and his or her spouse file separate income tax returns.

(c) That person has filed a nonresident Michigan income tax return, except active duty military personnel stationed in this state with his or her principal residence in this state.

(d) That person has filed an income tax return in a state other than this state as a resident, except active duty military personnel stationed in this state with his or her principal residence in this state.

(4) Upon receipt of an affidavit filed under subsection (2) and unless the claim is denied under this section, the assessor shall exempt the property from the collection of the tax levied by a local school district for school operating purposes to the extent provided under section 1211 of the revised school code, 1976 PA 451, MCL 380.1211, as provided in subsection (1) until December 31 of the year in which the property is transferred or is no longer a homestead as defined in section 7dd. The local tax collecting unit shall forward copies of affidavits to the department of treasury according to a schedule prescribed by the department of treasury.

(5) Not more than 90 days after exempted property is no longer used as a homestead by the owner claiming an exemption, that owner shall rescind the claim of exemption by filing with the local tax collecting unit a rescission form prescribed by the department of treasury. An owner who fails to file a rescission as required by this subsection is subject to a penalty of \$5.00 per day for each separate failure beginning after the 90 days have elapsed, up to a maximum of \$200.00. This penalty shall be collected under 1941 PA 122, MCL 205.1 to 205.31, and shall be deposited in the state school aid fund established in section 11 of article IX of the state constitution of 1963. This penalty may be waived by the department of treasury.

(6) If the assessor of the local tax collecting unit believes that the property for which an exemption is claimed is not the homestead of the owner claiming the exemption, the assessor may deny a new or existing claim by notifying the owner and the department of treasury in writing of the reason for the denial and advising the owner that the denial may be appealed to the residential and small claims division of the Michigan tax tribunal within 35 days after the date of the notice. The assessor may deny a claim for exemption for the current year and for the 3 immediately preceding calendar years. If the assessor denies an existing claim for exemption, the assessor shall remove the exemption of the property and, if the tax roll is in the local tax collecting unit's possession, amend the tax roll to reflect the denial and the local treasurer shall within 30 days of the date of the denial issue a corrected tax bill for previously unpaid taxes with interest at the rate of 1.25% per month and penalties computed from the date the taxes were last payable without interest or penalty. If the tax roll is in the county treasurer's possession, the tax roll shall be amended to reflect the denial and the county treasurer shall within 30 days of the date of the denial prepare and submit a supplemental tax bill for any additional taxes, together with interest at the rate of 1.25% per month and penalties computed from the date the taxes were last payable without interest or penalty. Additional interest on any tax set forth in a corrected or supplemental tax bill shall begin to accrue 60 days after the date



the corrected or supplemental tax bill is issued at the rate of 1.25% per month. Taxes levied in a corrected or supplemental tax bill shall be returned as delinquent on the March 1 in the year immediately succeeding the year in which the corrected or supplemental tax bill is issued. If the assessor denies an existing claim for exemption, the interest due shall be distributed as provided in subsection (24). However, if the property has been transferred to a bona fide purchaser before additional taxes were billed to the seller as a result of the denial of a claim for exemption, the taxes, interest, and penalties shall not be a lien on the property and shall not be billed to the bona fide purchaser, and the local tax collecting unit if the local tax collecting unit has possession of the tax roll or the county treasurer if the county has possession of the tax roll shall notify the department of treasury of the amount of tax due, interest, and penalties through the date of that notification. The department of treasury shall then assess the owner who claimed the homestead property tax exemption for the tax, interest, and penalties accruing as a result of the denial of the claim for exemption, if any, as for unpaid taxes provided under 1941 PA 122, MCL 205.1 to 205.31, and shall deposit any tax or penalty collected into the state school aid fund and shall distribute any interest collected as provided in subsection (24). The denial shall be made on a form prescribed by the department of treasury. If the property for which the assessor has denied a claim for exemption under this subsection is located in a county in which the county treasurer or the county equalization director have elected to audit exemptions under subsection (10), the assessor shall notify the county treasurer or the county equalization director of the denial under this subsection.

(7) If the assessor of the local tax collecting unit believes that the property for which the exemption is claimed is not the homestead of the owner claiming the exemption and has not denied the claim, the assessor shall include a recommendation for denial with any affidavit that is forwarded to the department of treasury or, for an existing claim, shall send a recommendation for denial to the department of treasury, stating the reasons for the recommendation.

(8) The department of treasury shall determine if the property is the homestead of the owner claiming the exemption. The department of treasury may review the validity of exemptions for the current calendar year and for the 3 immediately preceding calendar years. If the department of treasury determines that the property is not the homestead of the owner claiming the exemption, the department shall send a notice of that determination to the local tax collecting unit and to the owner of the property claiming the exemption, indicating that the claim for exemption is denied, stating the reason for the denial, and advising the owner claiming the exemption of the right to appeal the determination to the department of treasury and what those rights of appeal are. The department of treasury may issue a notice denying a claim if an owner fails to respond within 30 days of receipt of a request for information from that department. An owner may appeal the denial of a claim of exemption to the department of treasury within 35 days of receipt of the notice of denial. An appeal to the department of treasury shall be conducted according to the provisions for an informal conference in section 21 of 1941 PA 122, MCL 205.21. Within 10 days after acknowledging an appeal of a denial of a claim of exemption, the department of treasury shall notify the assessor and the treasurer for the county in which the property is located that an appeal has been filed. Upon receipt of a notice that the department of treasury has denied a claim for exemption, the assessor shall remove the exemption of the property and, if the tax roll is in the local tax collecting unit's possession, amend the tax roll to reflect the denial and the local treasurer shall within 30 days of the date of the denial issue a corrected tax bill for previously unpaid taxes with interest at the rate of 1.25% per month and penalties computed from the date the taxes were last payable without interest and penalty. If the tax roll is in the county

treasurer's possession, the tax roll shall be amended to reflect the denial and the county treasurer shall within 30 days of the date of the denial prepare and submit a supplemental tax bill for any additional taxes, together with interest at the rate of 1.25% per month and penalties computed from the date the taxes were last payable without interest or penalty. Additional interest on any tax set forth in a corrected or supplemental tax bill shall begin to accrue 60 days after the date the corrected or supplemental tax bill is issued at the rate of 1.25% per month. Taxes levied in a corrected or supplemental tax bill shall be returned as delinquent on the March 1 in the year immediately succeeding the year in which the corrected or supplemental tax bill is issued. If the department of treasury denies an existing claim for exemption, the interest due shall be distributed as provided in subsection (24). However, if the property has been transferred to a bona fide purchaser before additional taxes were billed to the seller as a result of the denial of a claim for exemption, the taxes, interest, and penalties shall not be a lien on the property and shall not be billed to the bona fide purchaser, and the local tax collecting unit if the local tax collecting unit has possession of the tax roll or the county treasurer if the county has possession of the tax roll shall notify the department of treasury of the amount of tax due and interest through the date of that notification. The department of treasury shall then assess the owner who claimed the homestead property tax exemption for the tax and interest plus penalty accruing as a result of the denial of the claim for exemption, if any, as for unpaid taxes provided under 1941 PA 122, MCL 205.1 to 205.31, and shall deposit any tax or penalty collected into the state school aid fund and shall distribute any interest collected as provided in subsection (24).

(9) The department of treasury may enter into an agreement regarding the implementation or administration of subsection (8) with the assessor of any local tax collecting unit in a county that has not elected to audit exemptions claimed under this section as provided in subsection (10). The agreement may specify that for a period of time, not to exceed 120 days, the department of treasury will not deny an exemption identified by the department of treasury in the list provided under subsection (11).

(10) A county may elect to audit the exemptions claimed under this section in all local tax collecting units located in that county as provided in this subsection. The election to audit exemptions shall be made by the county treasurer, or by the county equalization director with the concurrence by resolution of the county board of commissioners. The initial election to audit exemptions shall require an audit period of 2 years. Subsequent elections to audit exemptions shall be made every 2 years and shall require 2 annual audit periods. An election to audit exemptions shall be made by submitting an election to audit form to the assessor of each local tax collecting unit in that county and to the department of treasury not later than October 1 in the year in which an election to audit is made. The election to audit form required under this subsection shall be in a form prescribed by the department of treasury. If a county elects to audit the exemptions claimed under this section, the department of treasury may continue to review the validity of exemptions as provided in subsection (8). If a county does not elect to audit the exemptions claimed under this section as provided in this subsection, the department of treasury shall conduct an audit of exemptions claimed under this section in the initial 2-year audit period for each local tax collecting unit in that county unless the department of treasury has entered into an agreement with the assessor for that local tax collecting unit under subsection (9).

(11) If a county elects to audit the exemptions claimed under this section as provided in subsection (10) and the county treasurer or his or her designee or the county equalization director or his or her designee believes that the property for which an exemption is claimed is not the homestead of the owner claiming the exemption, the county treasurer or his or her designee or the county equalization director or his or her

designee may deny an existing claim by notifying the owner, the assessor of the local tax collecting unit, and the department of treasury in writing of the reason for the denial and advising the owner that the denial may be appealed to the residential and small claims division of the Michigan tax tribunal within 35 days after the date of the notice. The county treasurer or his or her designee or the county equalization director or his or her designee may deny a claim for exemption for the current year and for the 3 immediately preceding calendar years. If the county treasurer or his or her designee or the county equalization director or his or her designee denies an existing claim for exemption, the county treasurer or his or her designee or the county equalization director or his or her designee shall direct the assessor of the local tax collecting unit in which the property is located to remove the exemption of the property from the assessment roll and, if the tax roll is in the local tax collecting unit's possession, direct the assessor of the local tax collecting unit to amend the tax roll to reflect the denial and the treasurer of the local tax collecting unit shall within 30 days of the date of the denial issue a corrected tax bill for previously unpaid taxes with interest at the rate of 1.25% per month and penalties computed from the date the taxes were last payable without interest and penalty. If the tax roll is in the county treasurer's possession, the tax roll shall be amended to reflect the denial and the county treasurer shall within 30 days of the date of the denial prepare and submit a supplemental tax bill for any additional taxes, together with interest at the rate of 1.25% per month and penalties computed from the date the taxes were last payable without interest or penalty. Additional interest on any tax set forth in a corrected or supplemental tax bill shall begin to accrue 60 days after the date the corrected or supplemental tax bill is issued at the rate of 1.25% per month. Taxes levied in a corrected or supplemental tax bill shall be returned as delinquent on the March 1 in the year immediately succeeding the year in which the corrected or supplemental tax bill is issued. If the county treasurer or his or her designee or the county equalization director or his or her designee denies an existing claim for exemption, the interest due shall be distributed as provided in subsection (24). However, if the property has been transferred to a bona fide purchaser before additional taxes were billed to the seller as a result of the denial of a claim for exemption, the taxes, interest, and penalties shall not be a lien on the property and shall not be billed to the bona fide purchaser, and the local tax collecting unit if the local tax collecting unit has possession of the tax roll or the county treasurer if the county has possession of the tax roll shall notify the department of treasury of the amount of tax due and interest through the date of that notification. The department of treasury shall then assess the owner who claimed the homestead property tax exemption for the tax and interest plus penalty accruing as a result of the denial of the claim for exemption, if any, as for unpaid taxes provided under 1941 PA 122, MCL 205.1 to 205.31, and shall deposit any tax or penalty collected into the state school aid fund and shall distribute any interest collected as provided in subsection (24). The department of treasury shall annually provide the county treasurer or his or her designee or the county equalization director or his or her designee a list of parcels of property located in that county for which an exemption may be erroneously claimed. The county treasurer or his or her designee or the county equalization director or his or her designee shall forward copies of the list provided by the department of treasury to each assessor in each local tax collecting unit in that county within 10 days of receiving the list.

(12) If a county elects to audit exemptions claimed under this section as provided in subsection (10), the county treasurer or the county equalization director may enter into an agreement with the assessor of a local tax collecting unit in that county regarding the implementation or administration of this section. The agreement may specify that for a period of time, not to exceed 120 days, the county will not deny an exemption identified by the department of treasury in the list provided under subsection (11).

(13) An owner may appeal a denial by the assessor of the local tax collecting unit under subsection (6), a final decision of the department of treasury under subsection (8), or a denial by the county treasurer or his or her designee or the county equalization director or his or her designee under subsection (11) to the residential and small claims division of the Michigan tax tribunal within 35 days of that decision. An owner is not required to pay the amount of tax in dispute in order to appeal a denial of a claim of exemption to the department of treasury or to receive a final determination of the residential and small claims division of the Michigan tax tribunal. However, interest at the rate of 1.25% per month and penalties shall accrue and be computed from the date the taxes were last payable without interest and penalty. If the residential and small claims division of the Michigan tax tribunal grants an owner's appeal of a denial and that owner has paid the interest due as a result of a denial under subsection (6), (8), or (11), the interest received after a distribution was made under subsection (24) shall be refunded.

(14) For taxes levied after December 31, 2005, for each county in which the county treasurer or the county equalization director does not elect to audit the exemptions claimed under this section as provided in subsection (10), the department of treasury shall conduct an annual audit of exemptions claimed under this section for the current calendar year.

(15) An affidavit filed by an owner for a homestead rescinds all previous exemptions filed by that owner for any other homestead. The department of treasury shall notify the assessor of the local tax collecting unit in which the property for which a previous exemption was claimed is located that the previous exemption is rescinded by the subsequent affidavit. Upon receipt of notice that an exemption is rescinded, the assessor of the local tax collecting unit shall remove the exemption effective December 31 of the year in which the property is transferred or is no longer a homestead as defined in section 7dd. The assessor of the local tax collecting unit in which that property is located shall notify the treasurer in possession of the tax roll for a year for which the exemption is rescinded. If the tax roll is in the local tax collecting unit's possession, the tax roll shall be amended to reflect the rescission and the local treasurer shall prepare and issue a corrected tax bill for previously unpaid taxes with interest and penalties computed based on the interest and penalties that would have accrued from the date the taxes were originally levied if there had not been an exemption for that year. If the tax roll is in the county treasurer's possession, the tax roll shall be amended to reflect the rescission and the county treasurer shall prepare and submit a supplemental tax bill for any additional taxes, together with any interest and penalties. However, if the property has been transferred to a bona fide purchaser, the taxes, interest, and penalties shall not be billed to the bona fide purchaser, and the local tax collecting unit if the local tax collecting unit has possession of the tax roll or the county treasurer if the county has possession of the tax roll shall notify the department of treasury of the amount of tax due and interest through the date of that notification. The department of treasury shall then assess the owner who received the homestead property tax exemption when the property was not a homestead as defined in section 7dd for the tax and interest plus penalty accruing, if any, as for unpaid taxes provided under 1941 PA 122, MCL 205.1 to 205.31, and shall deposit any tax, interest, or penalty collected into the state school aid fund.

(16) An owner of property for which a claim of exemption is rescinded may appeal that rescission with either the July or December board of review in either the year for which the exemption is rescinded or in the immediately succeeding year. If an appeal of a rescission of a claim for exemption is received not later than 5 days prior to the date of the December board of review, the local tax collecting unit shall convene a December board of review and consider the appeal pursuant to this section and section 53b. An

owner of property for which a claim of exemption is rescinded may appeal the decision of the board of review to the residential and small claims division of the Michigan tax tribunal within 35 days of that decision.

(17) If the homestead is part of a unit in a multiple-unit dwelling or a dwelling unit in a multiple-purpose structure, an owner shall claim an exemption for only that portion of the total taxable value of the property used as the homestead of that owner in a manner prescribed by the department of treasury. If a portion of a parcel for which the owner claims an exemption is used for a purpose other than as a homestead, the owner shall claim an exemption for only that portion of the taxable value of the property used as the homestead of that owner in a manner prescribed by the department of treasury.

(18) When a county register of deeds records a transfer of ownership of a property, he or she shall notify the local tax collecting unit in which the property is located of the transfer.

(19) The department of treasury shall make available the affidavit forms and the forms to rescind an exemption, which may be on the same form, to all city and township assessors, county equalization officers, county registers of deeds, and closing agents. A person who prepares a closing statement for the sale of property shall provide affidavit and rescission forms to the buyer and seller at the closing and, if requested by the buyer or seller after execution by the buyer or seller, shall file the forms with the local tax collecting unit in which the property is located. If a closing statement preparer fails to provide homestead exemption affidavit and rescission forms to the buyer and seller, or fails to file the affidavit and rescission forms with the local tax collecting unit if requested by the buyer or seller, the buyer may appeal to the department of treasury within 30 days of notice to the buyer that an exemption was not recorded. If the department of treasury determines that the buyer qualifies for the exemption, the department of treasury shall notify the assessor of the local tax collecting unit that the exemption is granted and the assessor of the local tax collecting unit or, if the tax roll is in the possession of the county treasurer, the county treasurer shall correct the tax roll to reflect the exemption. This subsection does not create a cause of action at law or in equity against a closing statement preparer who fails to provide homestead exemption affidavit and rescission forms to a buyer and seller or who fails to file the affidavit and rescission forms with the local tax collecting unit when requested to do so by the buyer or seller.

(20) An owner who owned and occupied a homestead on May 1 for taxes levied before January 1, 2004 and the tax day as provided in section 2 for taxes levied after December 31, 2003 for which the exemption was not on the tax roll may file an appeal with the July board of review or December board of review in the year for which the exemption was claimed or the immediately succeeding 3 years. If an appeal of a claim for exemption that was not on the tax roll is received not later than 5 days prior to the date of the December board of review, the local tax collecting unit shall convene a December board of review and consider the appeal pursuant to this section and section 53b.

(21) If the assessor or treasurer of the local tax collecting unit believes that the department of treasury erroneously denied a claim for exemption, the assessor or treasurer may submit written information supporting the owner's claim for exemption to the department of treasury within 35 days of the owner's receipt of the notice denying the claim for exemption. If, after reviewing the information provided, the department of treasury determines that the claim for exemption was erroneously denied, the department of treasury shall grant the exemption and the tax roll shall be amended to reflect the exemption.

(22) If granting the exemption under this section results in an overpayment of the tax, a rebate, including any interest paid, shall be made to the taxpayer by the local tax

collecting unit if the local tax collecting unit has possession of the tax roll or by the county treasurer if the county has possession of the tax roll within 30 days of the date the exemption is granted. The rebate shall be without interest.

(23) If an exemption under this section is erroneously granted for an affidavit filed before October 1, 2003, an owner may request in writing that the department of treasury withdraw the exemption. The request to withdraw the exemption shall be received not later than November 1, 2003. If an owner requests that an exemption be withdrawn, the department of treasury shall issue an order notifying the local assessor that the exemption issued under this section has been denied based on the owner's request. If an exemption is withdrawn, the property that had been subject to that exemption shall be immediately placed on the tax roll by the local tax collecting unit if the local tax collecting unit has possession of the tax roll or by the county treasurer if the county has possession of the tax roll as though the exemption had not been granted. A corrected tax bill shall be issued for the tax year being adjusted by the local tax collecting unit if the local tax collecting unit has possession of the tax roll or by the county treasurer if the county has possession of the tax roll. Unless a denial has been issued prior to July 1, 2003, if an owner requests that an exemption under this section be withdrawn and that owner pays the corrected tax bill issued under this subsection within 30 days after the corrected tax bill is issued, that owner is not liable for any penalty or interest on the additional tax. An owner who pays a corrected tax bill issued under this subsection more than 30 days after the corrected tax bill is issued is liable for the penalties and interest that would have accrued if the exemption had not been granted from the date the taxes were originally levied.

(24) Subject to subsection (25), interest at the rate of 1.25% per month collected under subsection (6), (8), or (11) shall be distributed as follows:

(a) If the assessor of the local tax collecting unit denies the exemption under this section, as follows:

- (i) To the local tax collecting unit, 70%.
- (ii) To the department of treasury, 10%.
- (iii) To the county in which the property is located, 20%.

(b) If the department of treasury denies the exemption under this section, as follows:

- (i) To the local tax collecting unit, 20%.
- (ii) To the department of treasury, 70%.
- (iii) To the county in which the property is located, 10%.

(c) If the county treasurer or his or her designee or the county equalization director or his or her designee denies the exemption under this section, as follows:

- (i) To the local tax collecting unit, 20%.
- (ii) To the department of treasury, 10%.
- (iii) To the county in which the property is located, 70%.

(25) Interest distributed under subsection (24) is subject to the following conditions:

(a) Interest distributed to a county shall be deposited into a restricted fund to be used solely for the administration of homestead property tax exemptions. Money in that restricted fund shall lapse to the county general fund on the December 31 in the year 3 years after the first distribution of interest to the county under subsection (24) and on each succeeding December 31 thereafter.

(b) Interest distributed to the department of treasury shall be deposited into the homestead property tax exemption audit fund, which is created within the state treasury.

The state treasurer may receive money or other assets from any source for deposit into the fund. The state treasurer shall direct the investment of the fund. The state treasurer shall credit to the fund interest and earnings from fund investments. Money in the fund shall be considered a work project account and at the close of the fiscal year shall remain in the fund and shall not lapse to the general fund. Money from the fund shall be expended, upon appropriation, only for the purpose of auditing homestead exemption affidavits.

(26) Interest distributed under subsection (24) is in addition to and shall not affect the levy or collection of the county property tax administration fee established under this act.

(27) A cooperative housing corporation is entitled to a full or partial exemption under this section for the tax year in which the cooperative housing corporation files all of the following with the local tax collecting unit in which the cooperative housing corporation is located if filed on or before May 1 for taxes levied before January 1, 2004 and the tax day as provided in section 2 for taxes levied after December 31, 2003:

(a) An affidavit form.

(b) A statement of the total number of units owned by the cooperative housing corporation and occupied as the principal residence of a tenant stockholder as of the date of the filing under this subsection.

(c) A list that includes the name, address, and social security number of each tenant stockholder of the cooperative housing corporation occupying a unit in the cooperative housing corporation as his or her principal residence as of the date of the filing under this subsection.

(d) A statement of the total number of units of the cooperative housing corporation on which an exemption under this section was claimed and that were transferred in the tax year immediately preceding the tax year in which the filing under this section was made.

(28) Before May 1, 2004 and before May 1, 2005, the treasurer of each county shall forward to the department of education a statement of the taxable value of each school district and fraction of a school district within the county for the preceding 4 calendar years. This requirement is in addition to the requirement set forth in section 151 of the state school aid act of 1979, 1979 PA 94, MCL 388.1751.

### **211.7ee Qualified agricultural property exemption from tax levied by local school district for school operating purposes; procedures.**

Sec. 7ee. (1) Qualified agricultural property is exempt from the tax levied by a local school district for school operating purposes to the extent provided under section 1211 of the revised school code, 1976 PA 451, MCL 380.1211, according to the provisions of this section.

(2) Qualified agricultural property that is classified as agricultural under section 34c is exempt under subsection (1) and the owner is not required to file an affidavit claiming an exemption with the local tax collecting unit unless requested by the assessor to determine whether the property includes structures that are not exempt under this section. To claim an exemption under subsection (1) for qualified agricultural property that is not classified as agricultural under section 34c, the owner shall file an affidavit claiming the exemption with the local tax collecting unit by May 1 for taxes levied before January 1, 2004 and the tax day as provided in section 2 for taxes levied after December 31, 2003.

(3) The affidavit shall be on a form prescribed by the department of treasury.

(4) For property classified as agricultural, and upon receipt of an affidavit filed under subsection (2) for property not classified as agricultural, the assessor shall determine if the property is qualified agricultural property and if so shall exempt the property from

the collection of the tax as provided in subsection (1) until December 31 of the year in which the property is no longer qualified agricultural property as defined in section 7dd. An owner is required to file a new claim for exemption on the same property as requested by the assessor under subsection (2).

(5) Not more than 90 days after all or a portion of the exempted property is no longer qualified agricultural property, the owner shall rescind the exemption for the applicable portion of the property by filing with the local tax collecting unit a rescission form prescribed by the department of treasury. An owner who fails to file a rescission as required by this subsection is subject to a penalty of \$5.00 per day for each separate failure beginning after the 90 days have elapsed, up to a maximum of \$200.00. This penalty shall be collected under 1941 PA 122, MCL 205.1 to 205.31, and shall be deposited in the state school aid fund established in section 11 of article IX of the state constitution of 1963. This penalty may be waived by the department of treasury.

(6) An owner of property that is qualified agricultural property on May 1 for taxes levied before January 1, 2004 and the tax day as provided in section 2 for taxes levied after December 31, 2003 for which an exemption was not on the tax roll may file an appeal with the July or December board of review in the year the exemption was claimed or the immediately succeeding year. An owner of property that is qualified agricultural property on May 1 for taxes levied before January 1, 2004 and the tax day as provided in section 2 for taxes levied after December 31, 2003 for which an exemption was denied by the assessor in the year the affidavit was filed, may file an appeal with the July board of review for summer taxes or, if there is not a summer levy of school operating taxes, with the December board of review.

(7) If the assessor of the local tax collecting unit believes that the property for which an exemption has been granted is not qualified agricultural property, the assessor may deny or modify an existing exemption by notifying the owner in writing at the time required for providing a notice under section 24c. A taxpayer may appeal the assessor's determination to the board of review meeting under section 30. A decision of the board of review may be appealed to the residential and small claims division of the Michigan tax tribunal.

(8) If an exemption under this section is erroneously granted, an owner may request in writing that the local tax collecting unit withdraw the exemption. If an owner requests that an exemption be withdrawn, the local assessor shall notify the owner that the exemption issued under this section has been denied based on that owner's request. If an exemption is withdrawn, the property that had been subject to that exemption shall be immediately placed on the tax roll by the local tax collecting unit if the local tax collecting unit has possession of the tax roll or by the county treasurer if the county has possession of the tax roll as though the exemption had not been granted. A corrected tax bill shall be issued for the tax year being adjusted by the local tax collecting unit if the local tax collecting unit has possession of the tax roll or by the county treasurer if the county has possession of the tax roll. If an owner requests that an exemption under this section be withdrawn before that owner is contacted in writing by the local assessor regarding that owner's eligibility for the exemption and that owner pays the corrected tax bill issued under this subsection within 30 days after the corrected tax bill is issued, that owner is not liable for any penalty or interest on the additional tax. An owner who pays a corrected tax bill issued under this subsection more than 30 days after the corrected tax bill is issued is liable for the penalties and interest that would have accrued if the exemption had not been granted from the date the taxes were originally levied.



**211.24c Notice of increase in tentative state equalized valuation or tentative taxable value; contents; required information and forms; addressing and mailing assessment notice; effect of failure to send or receive assessment notice; calculation of tentative equalized valuation; model assessment notice form; statement; separate statement.**

Sec. 24c. (1) The assessor shall give to each owner or person or persons listed on the assessment roll of the property a notice by first-class mail of an increase in the tentative state equalized valuation or the tentative taxable value for the year. The notice shall specify each parcel of property, the tentative taxable value for the current year, and the taxable value for the immediately preceding year. The notice shall also specify the time and place of the meeting of the board of review. The notice shall also specify the difference between the property's tentative taxable value in the current year and the property's taxable value in the immediately preceding year.

(2) The notice shall include, in addition to the information required by subsection (1), all of the following:

- (a) The state equalized valuation for the immediately preceding year.
- (b) The tentative state equalized valuation for the current year.
- (c) The net change between the tentative state equalized valuation for the current year and the state equalized valuation for the immediately preceding year.
- (d) The classification of the property as defined by section 34c.
- (e) The inflation rate for the immediately preceding year as defined in section 34d.
- (f) A statement provided by the state tax commission explaining the relationship between state equalized valuation and taxable value. If the assessor believes that a transfer of ownership has occurred in the immediately preceding year, the statement shall state that the ownership was transferred and that the taxable value of that property is the same as the state equalized valuation of that property.

(3) When required by the income tax act of 1967, 1967 PA 281, MCL 206.1 to 206.532, the assessment notice shall include or be accompanied by information or forms prescribed by the income tax act of 1967, 1967 PA 281, MCL 206.1 to 206.532.

(4) The assessment notice shall be addressed to the owner according to the records of the assessor and mailed not less than 10 days before the meeting of the board of review. The failure to send or receive an assessment notice does not invalidate an assessment roll or an assessment on that property.

(5) The tentative state equalized valuation shall be calculated by multiplying the assessment by the tentative equalized valuation multiplier. If the assessor has made assessment adjustments that would have changed the tentative multiplier, the assessor may recalculate the multiplier for use in the notice.

(6) The state tax commission shall prepare a model assessment notice form that shall be made available to local units of government.

(7) Beginning in 1995 through 2003, the assessment notice under subsection (1) shall include the following statement:

“If you purchased your homestead after May 1 last year, to claim the homestead exemption, if you have not already done so, you are required to file an affidavit before May 1.”

(8) Beginning in 2004, the assessment notice under subsection (1) shall include the following statement:

“If you purchased your homestead after December 31 last year, to claim the homestead exemption for next year, if you have not already done so, you are required to file an affidavit on or before December 31 this year.”

(9) For taxes levied after December 31, 2003, the assessment notice under subsection (1) shall separately state the state equalized valuation and taxable value for any leasehold improvements.

**211.53b Clerical error or mutual mistake of fact as to assessment figures, rate of taxation, or mathematical computation; verification, approval, and affidavit; correction of records; rebate; notice and payment; initiation of action; actions of board of review; exemption; appeal.**

Sec. 53b. (1) If there has been a clerical error or a mutual mistake of fact relative to the correct assessment figures, the rate of taxation, or the mathematical computation relating to the assessing of taxes, the clerical error or mutual mistake of fact shall be verified by the local assessing officer and approved by the board of review at a meeting held for the purposes of this section on Tuesday following the second Monday in December and, for summer property taxes, on Tuesday following the third Monday in July. If there is not a levy of summer property taxes, the board of review may meet for the purposes of this section on Tuesday following the third Monday in July. If approved, the board of review shall file an affidavit within 30 days relative to the clerical error or mutual mistake of fact with the proper officials who are involved with the assessment figures, rate of taxation, or mathematical computation and all affected official records shall be corrected. If the clerical error or mutual mistake of fact results in an overpayment or underpayment, the rebate, including any interest paid, shall be made to the taxpayer or the taxpayer shall be notified and payment made within 30 days of the notice. A rebate shall be without interest. The county treasurer may deduct the rebate from the appropriate tax collecting unit's subsequent distribution of taxes. The county treasurer shall bill to the appropriate tax collecting unit the tax collecting unit's share of taxes rebated. Except as otherwise provided in subsection (6), a correction under this subsection may be made in the year in which the error was made or in the following year only.

(2) Action pursuant to this section may be initiated by the taxpayer or the assessing officer.

(3) The board of review meeting in July and December shall meet only for the purpose described in subsection (1) and to hear appeals provided for in sections 7u, 7cc, and 7ee. If an exemption under section 7u is approved, the board of review shall file an affidavit with the proper officials involved in the assessment and collection of taxes and all affected official records shall be corrected. If an appeal under section 7cc or 7ee results in a determination that an overpayment has been made, the board of review shall file an affidavit and a rebate shall be made at the times and in the manner provided in subsection (1). Except as otherwise provided in sections 7cc and 7ee, a correction under this subsection shall be made for the year in which the appeal is made only. If the board of review grants an exemption or provides a rebate for property under section 7cc or 7ee as provided in this subsection, the board of review shall require the owner to execute the affidavit provided for in section 7cc or 7ee and shall forward a copy of any section 7cc affidavits to the department of treasury.

(4) If an exemption under section 7cc is granted by the board of review under this section, the provisions of section 7cc(6) through (11) apply. If an exemption under section 7cc is not granted by the board of review under this section, the owner may appeal that decision in writing to the department of treasury within 35 days of the board of review's denial and the appeal shall be conducted as provided in section 7cc(7).

(5) An owner or assessor may appeal a decision of the board of review under this section regarding an exemption under section 7ee to the residential and small claims division of the Michigan tax tribunal. An owner is not required to pay the amount of tax in dispute in order to receive a final determination of the residential and small claims division of the Michigan tax tribunal. However, interest and penalties, if any, shall accrue and be computed based on interest and penalties that would have accrued from the date the taxes were originally levied as if there had not been an exemption.

(6) A correction under this section that grants a homestead exemption pursuant to section 7cc(21) may be made for the year in which the appeal was filed and the 3 immediately preceding tax years.

This act is ordered to take immediate effect.

Approved July 24, 2003.

Filed with Secretary of State July 24, 2003.

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**[No. 106]**

**(SB 570)**

AN ACT to amend 1972 PA 284, entitled “An act to provide for the organization and regulation of corporations; to prescribe their duties, rights, powers, immunities and liabilities; to provide for the authorization of foreign corporations within this state; to prescribe the functions of the administrator of this act; to prescribe penalties for violations of this act; and to repeal certain acts and parts of acts,” by amending section 1060 (MCL 450.2060), as amended by 2001 PA 57; and to repeal acts and parts of acts.

*The People of the State of Michigan enact:*

**450.2060 Fees.**

Sec. 1060. (1) The fees a person shall pay to the administrator when the documents described in this subsection are delivered to him or her for filing are as follows:

- (a) Articles of a domestic corporation, \$10.00.
- (b) Application of a foreign corporation for a certificate of authority to transact business in this state, \$10.00.
- (c) Amendment to the articles of a domestic corporation, \$10.00.
- (d) Amended application for a certificate of authority to transact business in this state, \$10.00.
- (e) Certificate of merger or share exchange under chapter 7, \$50.00.
- (f) Certificate attesting to the occurrence of a merger of a foreign corporation under section 1021, \$10.00.
- (g) Certificate of dissolution, \$10.00.
- (h) Application for withdrawal and issuance of a certificate of withdrawal of a foreign corporation, \$10.00.
- (i) Application for reservation of corporate name, \$10.00.
- (j) Certificate of assumed name or a certificate of termination of assumed name, \$10.00.
- (k) Statement of change of registered office or resident agent, \$5.00.

(l) Restated articles of domestic corporations, \$10.00.

(m) Certificate of abandonment, \$10.00.

(n) Certificate of correction, \$10.00.

(o) Certificate of revocation of dissolution proceedings, \$10.00.

(p) Certificate of renewal of corporate existence, \$10.00.

(q) For examining a special report required by law, \$2.00.

(r) Certificate of registration of corporate name of a foreign corporation, \$50.00.

(s) Certificate of renewal of registration of corporate name of a foreign corporation, \$50.00.

(t) Certificate of termination of registration of corporate name of a foreign corporation, \$10.00.

(u) Report required under section 911, \$15.00 if paid before October 1, 2003 or after September 30, 2007. After September 30, 2003 and before October 1, 2007, the fee is \$25.00.

(2) The fees described in subsection (1) are in addition to any franchise fees prescribed in this act. The administrator shall not refund all or any part of a fee described in this section.

(3) Except as provided in subsection (9), the administrator shall deposit all fees received and collected under this section in the state treasury to the credit of the administrator, who may only use the money credited pursuant to legislative appropriation and only in carrying out those duties of the department required by law.

(4) The fees described in this section apply to documents filed by a domestic or foreign regulated investment company as defined in section 1064.

(5) If any money received by the administrator from fees paid under subsection (1)(u) is not appropriated to the department in that fiscal year, the money remaining from those fees shall revert to the general fund of this state.

(6) A minimum charge of \$1.00 for each certificate and 50 cents per folio shall be paid to the administrator for certifying a part of a file or record pertaining to a corporation if a fee for that service is not described in subsection (1). The administrator may furnish copies of documents, reports, and papers required or permitted by law to be filed with the administrator, and shall charge for those copies the fee established in a schedule of fees adopted by the administrator with the approval of the state administrative board. The administrator shall retain the revenue collected under this subsection, and the department shall use it to defray the costs for its copying and certifying services.

(7) If a domestic or foreign corporation pays fees or penalties by check and the check is dishonored, the fee is unpaid and the administrator shall rescind the filing of all related documents.

(8) The administrator may accept a credit card in lieu of cash or check as payment of a fee under this act. The administrator shall determine which credit cards he or she shall accept for payment.

(9) The administrator may charge a nonrefundable fee of up to \$50.00 for any document submitted or certificate sent by facsimile or electronic transmission. The administrator shall retain the revenue collected under this subsection and the department shall use it to carry out its duties required by law.

**Repeal of MCL 450.1915.**

Enacting section 1. Section 915 of the business corporation act, 1972 PA 284, MCL 450.1915, is repealed.

This act is ordered to take immediate effect.

Approved July 24, 2003.

Filed with Secretary of State July 24, 2003.

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**[No. 107]****(SB 571)**

AN ACT to amend 1982 PA 162, entitled “An act to revise, consolidate, and classify the laws relating to the organization and regulation of certain nonprofit corporations; to prescribe their duties, rights, powers, immunities, and liabilities; to provide for the authorization of foreign nonprofit corporations within this state; to impose certain duties on certain state departments; to prescribe fees; to prescribe penalties for violations of this act; and to repeal certain acts and parts of acts,” by amending section 1060 (MCL 450.3060), as amended by 1984 PA 209; and to repeal acts and parts of acts.

*The People of the State of Michigan enact:*

**450.3060 Fees.**

Sec. 1060. (1) The fees a person shall pay to the administrator for the purposes described in this section are as follows:

- (a) Examining, filing, and copying of articles of a domestic corporation, \$10.00.
- (b) Examining and filing articles or certificate of incorporation, and other papers connected with the application of a foreign corporation for admission to conduct affairs in this state, \$10.00.
- (c) Examining, filing, and copying an amendment to the articles of a domestic corporation, \$10.00.
- (d) Examining and filing an amendment to the articles of a foreign corporation, \$10.00.
- (e) Examining, filing, and copying a certificate of merger or consolidation under chapter 7, \$50.00.
- (f) Examining and filing a certificate of merger or consolidation of a foreign corporation, under section 1021, \$10.00.
- (g) Examining, filing, and copying a certificate of dissolution, \$10.00.
- (h) Examining and filing an application for withdrawal and issuance of a certificate of withdrawal of a foreign corporation, \$10.00.
- (i) Examining, filing, and copying an application for reservation of corporate name, \$10.00.
- (j) Examining, filing, and copying a certificate of assumed name or certificate of termination of assumed name, \$10.00.
- (k) Examining, filing, and copying a statement of change of registered office or resident agent, \$5.00.
- (l) Examining, filing, and copying restated articles of domestic corporation, \$10.00.

(m) Examining, filing, and copying a certificate of abandonment, \$10.00.

(n) Examining, filing, and copying a certificate of correction, \$10.00.

(o) Examining, filing, and copying a certificate of revocation of dissolution proceedings, \$10.00.

(p) Examining, filing, and copying a certificate of renewal of corporate existence, \$10.00.

(q) Filing and examination of a special report required by law, \$2.00.

(r) Examining and filing a certificate of election, \$10.00.

(s) Filing a report required under section 911, \$10.00 if paid before October 1, 2003 or after September 30, 2007. After September 30, 2003 and before October 1, 2007, the fee is \$20.00.

(2) A corporation shall pay the applicable fee described in this section to the administrator at the time of filing or when the service is rendered by the administrator. The fees described in this section are in addition to any franchise fees prescribed in this act.

(3) A person shall pay a minimum charge of \$1.00 for each certificate and 50 cents per folio to the administrator for certifying a part of a file or record pertaining to a corporation if a fee for that service is not described in subsection (1). The administrator may furnish copies of documents, reports, and papers required or permitted by law to be filed with the administrator, and shall charge for those copies the fee established in a schedule of fees adopted by the administrator with the approval of the state administrative board.

(4) The administrator shall not refund all or any part of a fee described in this section. The administrator shall deposit all fees received and collected under this section in the state treasury to the credit of the administrator, who may only use the money credited pursuant to legislative appropriation and only in carrying out those duties of the department required by law.

### **Repeal of MCL 450.2915.**

Enacting section 1. Section 915 of the nonprofit corporation act, 1982 PA 162, MCL 450.2915, is repealed.

This act is ordered to take immediate effect.

Approved July 24, 2003.

Filed with Secretary of State July 24, 2003.

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**[No. 108]**

**(SB 572)**

AN ACT to amend 1961 PA 108, entitled "An act to provide for loans by the state of Michigan to school districts for the payment of principal and interest upon school bonds; to prescribe the terms and conditions of the loans and the conditions upon which levies for bond principal and interest shall be included in computing the amount to be so loaned by the state; to prescribe the powers and duties of the superintendent of public instruction and the state treasurer in relation to such loans; to provide for the repayment of such loans; to provide incentives for repayment of such loans; to provide for other matters in respect to such loans; and to make an appropriation," (MCL 388.951 to 388.963) by adding section 9c.

*The People of the State of Michigan enact:*

**388.959c Repayment of loan of school district; reduction of total amount due; sale of obligations issued; determination of settlement date; certificate of qualification; inclusion of obligation in computed millage; disposition of repayment proceeds.**

Sec. 9c. (1) Notwithstanding any other section of this act, if a school district repays all or a portion of the total amount of the outstanding balance on all loans made to the school district under this act on the settlement date described in subsection (3), the state treasurer shall reduce the total loan amount due from the school district by an amount equal to the reasonable cost to the school district of obtaining the money to make this repayment, as determined by the state treasurer in his or her discretion. This amount shall not exceed 10% of the total amount of the outstanding balance being repaid by the school district, calculated as of the settlement date without the reduction under this section.

(2) A school district that issues its obligations to obtain the money to use for the repayment under subsection (1) shall sell those obligations only to the Michigan municipal bond authority created in the shared credit rating act, 1985 PA 227, MCL 141.1051 to 141.1076, on terms and conditions as are required by the Michigan municipal bond authority.

(3) The state treasurer shall determine a settlement date for the purposes of this section. The settlement date shall be the earliest practical date on which school districts will be able to make repayments under subsection (1) but not later than September 30, 2004.

(4) Notwithstanding any other section of this act, the state treasurer shall issue a certificate of qualification for a school district that issues an obligation described in subsection (2).

(5) Notwithstanding any other section of this act, for the purposes of section 4 the state treasurer shall consider an obligation described in subsection (2) that is issued by a school district to be a loan made to the school district under this act, and for the purposes of calculating a school district's computed millage under section 2 the state treasurer shall disregard the obligation if inclusion of the obligation would otherwise result in an increase in the school district's computed millage.

(6) The state treasurer shall deposit the proceeds of repayments made under subsection (1) into the general fund in accordance with section 4 of 1961 PA 112, MCL 388.984.

**Conditional effective date.**

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

- (a) Senate Bill No. 573.
- (b) House Bill No. 4866.

This act is ordered to take immediate effect.

Approved July 24, 2003.

Filed with Secretary of State July 24, 2003.

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**Compiler's note:** Senate Bill No. 573, referred to in enacting section 1, was filed with the Secretary of State July 24, 2003, and became P.A. 2003, No. 109, Imd. Eff. July 24, 2003.

House Bill No. 4866, also referred to in enacting section 1, was filed with the Secretary of State July 24, 2003, and became P.A. 2003, No. 110, Imd. Eff. July 24, 2003.

**[No. 109]****(SB 573)**

AN ACT to amend 1985 PA 227, entitled “An act to create the Michigan municipal bond authority and to prescribe its powers and duties; to provide for the issuance of, and terms and conditions for, notes and bonds of the authority; to authorize certain forms of assistance to governmental units including the creation and management of investments; to impose conditions on, grant certain powers to political subdivisions of the state and water suppliers regarding, and allow certain agreements regarding obligations of political subdivisions of this state and water suppliers purchased by the authority; to exempt the property, income, and operation of the authority, its bonds and notes, and the interest on its bonds and notes from certain taxes; to grant powers and impose duties on officers and agencies of the state, political subdivisions of this state, and water suppliers; to accept and expend certain appropriations; and to repeal acts and parts of acts,” by amending section 8 (MCL 141.1058), as amended by 2000 PA 416.

*The People of the State of Michigan enact:*

**141.1058 Purchase of municipal obligations by authority; bonds or notes of authority; expenses; preferential treatment in rate of interest; forgiving or relinquishing interest or principal of obligation; purchase of qualified bonds of school district; additional purchase.**

Sec. 8. (1) The authority may lend money to a governmental unit through the purchase by the authority of municipal obligations of the governmental unit in fully marketable form. The authority may authorize and issue its bonds or notes payable solely from the revenues or funds available to the authority, and to otherwise assist governmental units.

(2) Bonds and notes of the authority shall not be in any way a debt or liability of this state and shall not create or constitute any indebtedness, liability, or obligations of this state or be or constitute a pledge of the faith and credit of this state but all authority bonds and notes, unless funded or refunded by bonds or notes of the authority, shall be payable solely from revenues or funds pledged or available for their payment as authorized in this act. Each bond and note shall contain on its face a statement to the effect that the authority is obligated to pay the principal of and the interest on the bond or note only from revenues or funds of the authority and that this state is not obligated to pay the principal or interest and that neither the faith and credit nor the taxing power of this state is pledged to the payment of the principal of or the interest on the bond or note.

(3) All expenses incurred in carrying out the provisions of this act shall be payable solely from revenues or funds provided or to be provided under the provisions of this act, and nothing in this act shall be construed to authorize the authority to incur any indebtedness or liability on behalf of or payable by this state.

(4) Unless approved by a concurrent resolution of the legislature and except as permitted by section 16a or 16b, the authority shall not provide preferential treatment in the rate of interest for a particular municipal obligation purchased by the authority that is based upon other than financial and credit considerations and shall not forgive or relinquish all or part of the interest or principal of a particular municipal obligation or of municipal obligations of a particular purpose.

(5) The authority may purchase bonds issued by school districts that are qualified bonds under 1961 PA 108, MCL 388.951 to 388.963. Except as provided in subsection (6), the principal amount of the qualified bonds purchased by the authority in any calendar



year shall not exceed 7.5% of the principal amount of qualified bonds issued by school districts in the immediately preceding calendar year.

(6) In addition to qualified bonds purchased under subsection (5), the authority may purchase qualified bonds issued by school districts not later than September 30, 2004 to obtain funds to repay all or a portion of the outstanding balance of a loan under 1961 PA 108, MCL 388.951 to 388.963, on the terms and conditions and subject to the requirements provided by or pursuant to a resolution of the authority. Bonds issued by the authority to purchase school district qualified bonds under this subsection shall be issued in an amount sufficient to provide and pay the reasonable costs of issuance incurred by the school districts as determined by or pursuant to a resolution of the authority.

### **Conditional effective date.**

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

- (a) Senate Bill No. 572.
- (b) House Bill No. 4866.

This act is ordered to take immediate effect.

Approved July 24, 2003.

Filed with Secretary of State July 24, 2003.

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**Compiler's note:** Senate Bill No. 572, referred to in enacting section 1, was filed with the Secretary of State July 24, 2003, and became P.A. 2003, No. 108, Imd. Eff. July 24, 2003.

House Bill No. 4866, also referred to in enacting section 1, was filed with the Secretary of State July 24, 2003, and became P.A. 2003, No. 110, Imd. Eff. July 24, 2003.

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## **[No. 110]**

### **(HB 4866)**

AN ACT to amend 1961 PA 112, entitled "An act to authorize and provide for the issuance, sale, and refunding of bonds, notes, or commercial paper of the state; to provide funds for making loans to school districts for payment of principal and interest on certain school bonds; to provide for use of moneys repaid to the state by school districts; and to make an appropriation," by amending section 3 (MCL 388.983), as amended by 1991 PA 64.

*The People of the State of Michigan enact:*

### **388.983 Appropriation for payment of principal and interest on bonds or notes.**

Sec. 3. (1) For the prompt payment of the principal and interest upon each bond or note issued under this act, the full faith and credit of the state are pledged, and there is appropriated each year during the life of these bonds or notes from the general fund a sufficient amount to pay the principal and interest on the bonds or notes maturing each year.

(2) For the 1990-91 state fiscal year only, there is appropriated from the general fund a sufficient amount to pay in full the principal and interest upon each of the bonds or notes issued under this act, including the defeasance of the principal and interest and any redemption premium on each bond or note that matures after September 30, 1991. However, the state treasurer shall expend money from this appropriation for the

defeasance of the principal and interest and any redemption premium on a bond or note that matures after September 30, 1991 only to the extent the state administrative board provides by resolution for that defeasance to be made from this appropriation.

(3) Loan repayments deposited in the general fund pursuant to section 4 on the settlement date, as determined under section 9c of 1961 PA 108, MCL 388.959c, shall be used as follows:

(a) For fiscal year 2003-2004, an amount determined by the state treasurer to be equal to the difference between the outstanding amount of general obligation debt incurred pursuant to this act and the outstanding amount of loans under 1961 PA 108, MCL 388.951 to 388.963, immediately preceding the settlement date, as reduced in accordance with section 9c(1) of 1961 PA 108, MCL 388.959c, is appropriated to the state school aid fund. This appropriation shall be used to make state school aid payments to school districts within 90 days after the settlement date.

(b) For fiscal year 2003-2004, there is appropriated from the general fund to the state school aid fund an amount equal to the amount of all school bond loan fund repayments that are received by the state treasurer from June 1, 2003 through the settlement date, that are determined by the state treasurer not to have been paid from proceeds of bonds of the school district, and that represent the difference between the outstanding amount of general obligation debt incurred by this state under this act and the outstanding amount of loans under 1961 PA 108, MCL 388.951 to 388.963, at the time of repayment. This appropriation shall be used to make state school aid payments to school districts within 90 days after the settlement date.

(c) The state treasurer shall use the balance of the deposits, if any, within 90 days after the settlement date to pay or prepay outstanding general obligation debt incurred under this act.

### **Conditional effective date.**

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

- (a) Senate Bill No. 572.
- (b) Senate Bill No. 573.

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

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**Compiler's note:** Senate Bill No. 572, referred to in enacting section 1, was filed with the Secretary of State July 24, 2003, and became P.A. 2003, No. 108, Imd. Eff. July 24, 2003.

Senate Bill No. 573, also referred to in enacting section 1, was filed with the Secretary of State July 24, 2003, and became P.A. 2003, No. 109, Imd. Eff. July 24, 2003.

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## **[No. 111]**

### **(SB 574)**

AN ACT to amend 1994 PA 451, entitled "An act to protect the environment and natural resources of the state; to codify, revise, consolidate, and classify laws relating to the environment and natural resources of the state; to regulate the discharge of certain substances into the environment; to regulate the use of certain lands, waters, and other natural resources of the state; to prescribe the powers and duties of certain state and local agencies and officials; to provide for certain charges, fees, and assessments; to provide

certain appropriations; to prescribe penalties and provide remedies; to repeal certain parts of this act on a specific date; and to repeal certain acts and parts of acts,” by amending sections 81101, 81115, 81116, 81117, 81118, 81129, and 81130 (MCL 324.81101, 324.81115, 324.81116, 324.81117, 324.81118, 324.81129, and 324.81130), section 81101 as amended by 1998 PA 86, sections 81115, 81117, 81118, 81129, and 81130 as added by 1995 PA 58, and section 81116 as amended by 1995 PA 99; and to repeal acts and parts of acts.

*The People of the State of Michigan enact:*

### **324.81101 Additional definitions.**

Sec. 81101. As used in this part:

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

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

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

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

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

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

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

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

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

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

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

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

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

construction or logging vehicle used in performance of its common function, or a registered aircraft.

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

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

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

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

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

(i) Blindness.

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

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

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

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

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

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

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

(q) “Public agency” means the department or a local or federal unit of government.

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

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

(t) “Safety education fund” means the safety education fund created under section 81118.

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

(v) “Trail improvement fund” means the ORV trail improvement fund created pursuant to section 81117.

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

**324.81115 Licensing of ORV required; exceptions.**

Sec. 81115. (1) Except as otherwise provided by law, an ORV shall not be operated on or over land, snow, ice, marsh, swampland, or other natural terrain unless licensed by the owner with the department or a dealer as provided in this part. Except as otherwise provided in this part, a vehicle operating on a forest trail or in a designated area shall be licensed under this part.

(2) Licensure is not required for an ORV used exclusively in a safety and training program as required in section 81129.

**324.81116 Application for license; filing; form; signature; fee; false information prohibited; issuance of license; validity; purchase and resale of ORV licenses; refunds; records; attachment of license to vehicle; license not required for vehicle used and stored outside state.**

Sec. 81116. (1) The owner of an ORV requiring licensure under this part shall file an application for a license with the department or a dealer on forms provided by the department. If an ORV is sold by a dealer, the application for a license shall be submitted to the department by the dealer in the name of the owner. The application shall be signed by the owner of the vehicle and shall be accompanied by a fee of \$16.25. A person shall not file an application for registration that contains false information. Upon receipt of the application in approved form and upon payment of the appropriate fee, the department or dealer shall issue to the applicant a license which shall be valid for the 12-month period for which it is issued. A license shall be issued for the 12-month period beginning April 1 and ending March 31 each year.

(2) Dealers may purchase from the department ORV licenses for resale to owners of vehicles requiring licensure under this part. The department shall refund to dealers the purchase price of any ORV licenses returned within 90 days after the end of the 12-month period for which they were valid. The dealer shall maintain and provide to the department records of ORV license sales on forms provided by the department. In addition to the sale of ORV licenses, a dealer engaged in the sale, lease, or rental of ORVs as a regular business may sell any other license or permit authorized by the department to be sold by other dealers under the statutes of this state.

(3) The license shall be permanently attached to the vehicle in the manner prescribed and in the location designated by the department before the vehicle may legally be operated in accordance with this part.

(4) If at the time of sale the purchaser certifies on a form provided by the department that the purchased vehicle otherwise requiring a license under this part will be used and stored outside of this state and will not be returned by the purchaser to this state for use, then a license is not required.

**324.81117 ORV trail improvement fund.**

Sec. 81117. (1) The ORV trail improvement fund is created in the state treasury. The fund shall be administered by the department and shall be used for the signing, improvement, maintenance, and construction of ORV trails, routes, or areas; for the administration and enforcement of this part; for the leasing of land; for the acquisition of easements, permits, or other agreements for the use of land for ORV trails, routes, or areas; and for the restoration of any of the natural resources of this state on public land that are damaged due to ORV use in conjunction with the plan required by section 81123.

(2) Except as provided in section 81118, all of the revenue from each fee collected under section 81116 shall be deposited in the fund.

(3) The department may accept gifts, grants, or bequests from any public or private source or from the federal, state, or a local unit of government for the purposes of the fund.

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

(5) Any money remaining in the ORV trail improvement fund at the end of a fiscal year shall be carried over in the fund to the next and succeeding fiscal years and shall only be used for the purposes stated in this section.

### **324.81118 Safety education fund.**

Sec. 81118. (1) The safety education fund is created in the state treasury. The fund shall be administered by the department and shall be used for the purposes described in sections 81129 and 81130.

(2) One dollar of the revenue from each fee collected under section 81116 shall be deposited in the safety education fund.

(3) The department may accept gifts, grants, or bequests from any public or private source or the federal, state, or a local unit of government for the purposes of the fund.

(4) Any money remaining in the safety education fund at the end of a fiscal year shall be carried over in the fund to the next and succeeding fiscal years and shall only be used for the purposes stated in this section.

### **324.81129 Operation of ORV by child or by incompetent; requirements; ORV information, safety education, and training program; course instruction; ORV safety certificates; rules.**

Sec. 81129. (1) Subject to subsections (2), (3), and (17), a parent or legal guardian of a child less than 16 years of age shall not permit the child to operate an ORV unless the child is under the direct visual supervision of an adult and the child has in his or her immediate possession an ORV safety certificate issued pursuant to this part or a comparable ORV safety certificate issued under the authority of another state or a province of Canada.

(2) A parent or legal guardian of a child less than 12 years of age shall not permit the child to operate a 4-wheeled ATV, unless the child is not less than 10 years of age and is on private land owned by a parent or legal guardian of the child. This subsection does not apply to the operation of an ATV used in agricultural operations.

(3) A parent or legal guardian of a child less than 16 years of age shall not permit the child to operate a 3-wheeled ATV.

(4) Subject to subsections (5), (6), and (17), the owner or person in charge of an ORV shall not knowingly permit the vehicle to be operated by a child less than 16 years of age unless the child is under the direct visual supervision of an adult and the child has in his or her immediate possession an ORV safety certificate issued pursuant to this part or a comparable ORV safety certificate issued under the authority of another state or a province of Canada.

(5) The owner or person in charge of a 4-wheeled ATV shall not knowingly permit the vehicle to be operated by a child less than 12 years of age, unless the child is not less than 10 years of age and is on private land owned by a parent or legal guardian of the child. This subsection does not apply to the operation of an ATV used in agricultural operations.

(6) The owner or person in charge of a 3-wheeled ATV shall not knowingly permit the vehicle to be operated by a child less than 16 years of age.

(7) The owner or person in charge of an ORV shall not knowingly permit the vehicle to be operated by a person who is incompetent to operate the vehicle because of mental or physical disability except as provided in section 81131.

(8) The department shall implement a comprehensive ORV information, safety education, and training program that shall include the training of operators and the preparation and dissemination of information and safety advice to the public. The program shall provide for the training of youthful operators and for the issuance of ORV safety certificates to those who successfully complete the training provided under the program and may include separate instruction for each type of ORV.

(9) In implementing a program that is established pursuant to this section, the department shall cooperate with private organizations and associations, private and public corporations, the department of education, the department of state, and local governmental units. The department shall consult with ORV and environmental organizations and associations in regard to the subject matter of a training program and performance testing that leads to certification of ORV operators.

(10) The department may designate a person it considers qualified to provide course instruction and to award ORV safety certificates.

(11) The department may promulgate rules to implement subsections (8) to (10).

(12) Subject to subsections (13), (14), and (17), a child who is less than 16 years of age may operate an ORV if the child is under the direct visual supervision of an adult and the child has in his or her immediate possession an ORV safety certificate issued pursuant to this section or a comparable ORV safety certificate issued under the authority of another state or a province of Canada.

(13) A child who is less than 12 years of age shall not operate a 4-wheeled ATV, unless the child is not less than 10 years of age and is on private land owned by a parent or legal guardian of the child. This subsection does not apply to the operation of an ATV used in agricultural operations.

(14) A child who is less than 16 years of age shall not operate a 3-wheeled ATV.

(15) When operating an ORV under subsection (12), a child shall present the ORV safety certificate to a peace officer upon demand.

(16) Notwithstanding any other provision of this section, an operator who is less than 12 years of age shall not cross a highway or street. An operator who is not less than 12 years of age but less than 16 years of age may cross a highway or street or operate on the right-of-way or shoulder of designated access routes pursuant to section 81131 if the operator has a valid ORV safety certificate in his or her immediate possession and meets any other requirements under this section for operation of the vehicle.

(17) The requirement of possession or presentation of an ORV safety certificate under this section does not apply until implementation of the program for the vehicle proposed to be operated required by subsection (8).

### **324.81130 ORV safety education course.**

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

(2) A safety education course conducted by a college or university, an intermediate school district, a local school district, a law enforcement agency, or another governmental agency located in this state or by a department approved nonprofit service organization

shall be conducted in compliance with this section. An agency or a school conducting a course under this subsection may apply to the department for a grant from the fund for costs associated with conducting a course.

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

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

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

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

**Effective date.**

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

**Repeal of MCL 324.81125.**

Enacting section 2. Section 81125 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.81125, is repealed.

This act is ordered to take immediate effect.

Approved July 24, 2003.

Filed with Secretary of State July 24, 2003.

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**[No. 112]**

**(SB 578)**

AN ACT to establish American heroes week in the state of Michigan.

*The People of the State of Michigan enact:*

**2.421 American heroes week.**

Sec. 1. The legislature declares that the calendar week in which September 11 falls each year is American heroes week in this state and encourages academic institutions to educate and inspire children about local heroes and role models.

**2.422 Declaration.**

Sec. 2. (1) The legislature recognizes that on September 11, 2001 and the days that followed, many ordinary Americans showed true heroism by their acts of selflessness, compassion, dedication, courage, and integrity.

(2) The legislature declares that American heroes week is a fitting tribute to the many individuals who displayed extraordinary altruism, compassion, courage, integrity, dedication,



and selflessness during and after the terrorist attacks against the United States that occurred on September 11, 2001.

(3) The legislature declares that American heroes week is a fitting tribute to the many individuals who display extraordinary altruism, compassion, courage, integrity, dedication, and selflessness in their daily work, behavior, and accomplishments.

This act is ordered to take immediate effect.

Approved July 24, 2003.

Filed with Secretary of State July 24, 2003.

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**[No. 113]**

**(SB 589)**

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 20161 (MCL 333.20161), as amended by 2002 PA 562.

*The People of the State of Michigan enact:*

**333.20161 Fees for health facility and agency licenses and certificates of need; surcharge; fee for provisional license or temporary permit; fee to recover cost of proficiency evaluation samples; fee for reissuance of clinical laboratory license; cost of licensure activities; application fee for waiver under MCL 333.21564; travel expenses; fees for licensure or renewal under part 209; deposit of fees; use of quality assurance assessment fee; earmarking; “medicaid” defined.**

Sec. 20161. (1) The department shall assess fees for health facility and agency licenses and certificates of need on an annual basis as provided in this article. Except as otherwise provided in this article, fees shall be paid in accordance with the following fee schedule:

- |  |                          |
|--|--------------------------|
| (a) Freestanding surgical outpatient facilities..... | \$238.00 per facility.   |
| (b) Hospitals .....                                  | \$8.28 per licensed bed. |

(c) Nursing homes, county medical care facilities, and hospital long-term care units .....	\$2.20 per licensed bed.
(d) Homes for the aged.....	\$6.27 per licensed bed.
(e) Clinical laboratories.....	\$475.00 per laboratory.
(f) Hospice residences .....	\$200.00 per license survey; and \$20.00 per licensed bed.
(g) Subject to subsection (13), quality assurance assessment fee for nongovernmentally owned nursing homes and hospital long-term care units.....	an amount resulting in not more than 6% of total industry revenues.
(h) Subject to subsection (14), quality assurance assessment fee for hospitals.....	at a fixed or variable rate that generates funds not more than the maximum allowable under the federal matching requirements, after consideration for the amounts in subsection (14)(a) and (k).

(2) If a hospital requests the department to conduct a certification survey for purposes of title XVIII or title XIX of the social security act, the hospital shall pay a license fee surcharge of \$23.00 per bed. As used in this subsection, “title XVIII” and “title XIX” mean those terms as defined in section 20155.

(3) The base fee for a certificate of need is \$750.00 for each application. For a project requiring a projected capital expenditure of more than \$150,000.00 but less than \$1,500,000.00, an additional fee of \$2,000.00 shall be added to the base fee. For a project requiring a projected capital expenditure of \$1,500,000.00 or more, an additional fee of \$3,500.00 shall be added to the base fee.

(4) If licensure is for more than 1 year, the fees described in subsection (1) are multiplied by the number of years for which the license is issued, and the total amount of the fees shall be collected in the year in which the license is issued.

(5) Fees described in this section are payable to the department at the time an application for a license, permit, or certificate is submitted. If an application for a license, permit, or certificate is denied or if a license, permit, or certificate is revoked before its expiration date, the department shall not refund fees paid to the department.

(6) The fee for a provisional license or temporary permit is the same as for a license. A license may be issued at the expiration date of a temporary permit without an additional fee for the balance of the period for which the fee was paid if the requirements for licensure are met.

(7) The department may charge a fee to recover the cost of purchase or production and distribution of proficiency evaluation samples that are supplied to clinical laboratories pursuant to section 20521(3).

(8) In addition to the fees imposed under subsection (1), a clinical laboratory shall submit a fee of \$25.00 to the department for each reissuance during the licensure period of the clinical laboratory’s license.

(9) Except for the licensure of clinical laboratories, not more than half the annual cost of licensure activities as determined by the department shall be provided by license fees.

(10) The application fee for a waiver under section 21564 is \$200.00 plus \$40.00 per hour for the professional services and travel expenses directly related to processing the application. The travel expenses shall be calculated in accordance with the state standardized travel regulations of the department of management and budget in effect at the time of the travel.

(11) An applicant for licensure or renewal of licensure under part 209 shall pay the applicable fees set forth in part 209.

(12) The fees collected under this section shall be deposited in the state treasury, to the credit of the general fund.

(13) The quality assurance assessment fee collected under subsection (1)(g) and all federal matching funds attributed to that fee shall be used only for the following purposes and under the following specific circumstances:

(a) The quality assurance assessment fee and all federal matching funds attributed to that fee shall be used to finance medicaid nursing home reimbursement payments. Only licensed nursing homes and hospital long-term care units that are assessed the quality assurance assessment fee and participate in the medicaid program are eligible for increased per diem medicaid reimbursement rates under this subdivision.

(b) The quality assurance assessment fee shall be implemented on May 10, 2002.

(c) The quality assurance assessment fee is based on the number of licensed nursing home beds and the number of licensed hospital long-term care unit beds in existence on July 1 of each year, shall be assessed upon implementation pursuant to subdivision (b) and subsequently on October 1 of each following year, and is payable on a quarterly basis, the first payment due 90 days after the date the fee is assessed.

(d) Beginning October 1, 2007, the department shall no longer assess or collect the quality assurance assessment fee or apply for federal matching funds.

(e) Upon implementation pursuant to subdivision (b), the department of community health shall increase the per diem nursing home medicaid reimbursement rates for the balance of that year. For each subsequent year in which the quality assurance assessment fee is assessed and collected, the department of community health shall maintain the medicaid nursing home reimbursement payment increase financed by the quality assurance assessment fee.

(f) The department of community health shall implement this section in a manner that complies with federal requirements necessary to assure that the quality assurance assessment fee qualifies for federal matching funds.

(g) If a nursing home or a hospital long-term care unit fails to pay the assessment required by subsection (1)(g), the department of community health may assess the nursing home or hospital long-term care unit a penalty of 5% of the assessment for each month that the assessment and penalty are not paid up to a maximum of 50% of the assessment. The department of community health may also refer for collection to the department of treasury past due amounts consistent with section 13 of 1941 PA 122, MCL 205.13.

(h) The medicaid nursing home quality assurance assessment fund is established in the state treasury. The department of community health shall deposit the revenue raised through the quality assurance assessment fee with the state treasurer for deposit in the medicaid nursing home quality assurance assessment fund.

(i) Neither the department of consumer and industry services nor the department of community health shall implement this subsection in a manner that conflicts with 42 U.S.C. 1396b(w).

(j) The quality assurance assessment fee collected under subsection (1)(g) shall be prorated on a quarterly basis for any licensed beds added to or subtracted from a nursing home or hospital long-term care unit since the immediately preceding July 1. Any adjustments in payments are due on the next quarterly installment due date.

(k) In each fiscal year governed by this subsection, medicaid reimbursement rates shall not be reduced below the medicaid reimbursement rates in effect on April 1, 2002 as a direct result of the quality assurance assessment fee collected under subsection (1)(g).

(l) The amounts listed in this subdivision are appropriated for the department of community health, subject to the conditions set forth in this subsection, for the fiscal year ending September 30, 2003:

**MEDICAL SERVICES**

Long-term care services.....	\$	<u>1,469,003,900</u>
Gross appropriation.....	\$	<u>1,469,003,900</u>
Appropriated from:		
Federal revenues:		
Total federal revenues.....		814,122,200
Special revenue funds:		
Medicaid quality assurance assessment.....		44,829,000
Total local revenues.....		8,445,100
State general fund/general purpose.....	\$	601,607,600

(m) In fiscal year 2003-2004, \$18,900,000.00 of the quality assurance assessment fee collected pursuant to subsection (1)(g) shall be appropriated to the department of community health to support medicaid expenditures for long-term care services. These funds shall offset an identical amount of general fund/general purpose revenue originally appropriated for that purpose.

(14) The quality assurance dedication is an earmarked assessment fee collected under subsection (1)(h). That fee and all federal matching funds attributed to that fee shall be used only for the following purposes and under the following specific circumstances:

(a) Part of the quality assurance assessment fee shall be used to maintain the increased medicaid reimbursement rate increases as provided for in subdivision (d). A portion of the funds collected from the quality assurance assessment fee may be used to offset any reduction to existing intergovernmental transfer programs with public hospitals that may result from implementation of the enhanced medicaid payments financed by the quality assurance assessment fee. Any portion of the funds collected from the quality assurance assessment fee reduced because of existing intergovernmental transfer programs shall be used to finance medicaid hospital appropriations.

(b) The quality assurance assessment fee shall be implemented on October 1, 2002.

(c) The quality assurance assessment fee shall be assessed on all net patient revenue, before deduction of expenses, less medicare net revenue, as reported in the most recently available medicare cost report and is payable on a quarterly basis, the first payment due 90 days after the date the fee is assessed. As used in this subdivision, “medicare net revenue” includes medicare payments and amounts collected for coinsurance and deductibles.

(d) Upon implementation pursuant to subdivision (b), the department of community health shall increase the hospital medicaid reimbursement rates for the balance of that year. For each subsequent year in which the quality assurance assessment fee is assessed and collected, the department of community health shall maintain the hospital medicaid reimbursement rate increase financed by the quality assurance assessment fees.

(e) The department of community health shall implement this section in a manner that complies with federal requirements necessary to assure that the quality assurance assessment fee qualifies for federal matching funds.

(f) If a hospital fails to pay the assessment required by subsection (1)(h), the department of community health may assess the hospital a penalty of 5% of the assessment for each month that the assessment and penalty are not paid up to a maximum of 50% of the assessment. The department of community health may also refer for collection to the department of treasury past due amounts consistent with section 13 of 1941 PA 122, MCL 205.13.

(g) The hospital quality assurance assessment fund is established in the state treasury. The department of community health shall deposit the revenue raised through the quality assurance assessment fee with the state treasurer for deposit in the hospital quality assurance assessment fund.

(h) In each fiscal year governed by this subsection, the quality assurance assessment fee shall only be collected and expended if medicaid hospital inpatient DRG and outpatient reimbursement rates and disproportionate share hospital and graduate medical education payments are not below the level of rates and payments in effect on April 1, 2002 as a direct result of the quality assurance assessment fee collected under subsection (1)(h), except as provided in subdivision (j).

(i) The amounts listed in this subdivision are appropriated for the department of community health, subject to the conditions set forth in this subsection, for the fiscal year ending September 30, 2003:

#### MEDICAL SERVICES

Hospital services and therapy.....	\$	149,200,000
Gross appropriation.....	\$	149,200,000
Appropriated from:		
Federal revenues:		
Total federal revenues.....		82,686,800
Special revenue funds:		
Medicaid quality assurance assessment.....		66,513,500
Total local revenues .....		0
State general fund/general purpose .....	\$	0

(j) The quality assurance assessment fee collected under subsection (1)(h) shall no longer be assessed or collected after September 30, 2004, or in the event that the quality assurance assessment fee is not eligible for federal matching funds. Any portion of the quality assurance assessment collected from a hospital that is not eligible for federal matching funds shall be returned to the hospital.

(k) In fiscal year 2002-2003, \$18,900,000.00 of the quality assurance assessment fee shall be deposited into the general fund.

(l) In fiscal year 2003-2004, \$18,900,000.00 of the quality assurance assessment fee collected pursuant to subsection (1)(h) shall be appropriated to the department of community health to support medicaid expenditures for hospital services and therapy. These funds shall offset an identical amount of general fund/general purpose revenue originally appropriated for that purpose.

(15) As used in this section, “medicaid” means that term as defined in section 22207.

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

**[No. 114]****(SB 586)**

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 28 (MCL 205.28), as amended by 2002 PA 657.

*The People of the State of Michigan enact:*

**205.28 Conditions applicable to administration of taxes; violation; penalties; records required; disclosure of information; “adjusted gross receipts” and “wagering tax” defined.**

Sec. 28. (1) The following conditions apply to all taxes administered under this act unless otherwise provided for in the specific tax statute:

(a) Notice, if required, shall be given either by personal service or by certified mail addressed to the last known address of the taxpayer. Service upon the department may be made in the same manner.

(b) An injunction shall not issue to stay proceedings for the assessment and collection of a tax.

(c) In addition to the mode of collection provided in this act, the department may institute an action at law in any county in which the taxpayer resides or transacts business.

(d) The state treasurer may request in writing information or records in the possession of any other department, institution, or agency of state government for the performance of duties under this act. Departments, institutions, or agencies of state government shall furnish the information and records upon receipt of the state treasurer’s request. Upon request of the state treasurer, any department, institution, or agency of state government shall hold a hearing under the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, to consider withholding a license or permit of a person for nonpayment of taxes or accounts collected under this act.

(e) Except as otherwise provided in section 30c, the state treasurer or an employee of the department shall not compromise or reduce in any manner the taxes due to or claimed by this state or unpaid accounts or amounts due to any department, institution, or agency of state government. This subdivision does not prevent a compromise of interest or penalties, or both.

(f) Except as otherwise provided in this subdivision, an employee, authorized representative, or former employee or authorized representative of the department or anyone connected with the department shall not divulge any facts or information obtained in connection with the administration of a tax or information or parameters that would

enable a person to ascertain the audit selection or processing criteria of the department for a tax administered by the department. An employee or authorized representative shall not willfully inspect any return or information contained in a return unless it is appropriate for the proper administration of a tax law administered under this act. A person may disclose information described in this subdivision if the disclosure is required for the proper administration of a tax law administered under this act or the general property tax act, 1893 PA 206, MCL 211.1 to 211.157, pursuant to a judicial order sought by an agency charged with the duty of enforcing or investigating support obligations pursuant to an order of a court in a domestic relations matter as that term is defined in section 2 of the friend of the court act, 1982 PA 294, MCL 552.502, or pursuant to a judicial order sought by an agency of the federal, state, or local government charged with the responsibility for the administration or enforcement of criminal law for purposes of investigating or prosecuting criminal matters or for federal or state grand jury proceedings or a judicial order if the taxpayer's liability for a tax administered under this act is to be adjudicated by the court that issued the judicial order. A person may disclose the adjusted gross receipts and the wagering tax paid by a casino licensee licensed under the Michigan gaming control and revenue act, the Initiated Law of 1996, MCL 432.201 to 432.226, pursuant to section 18, sections 341, 342, and 386 of the management and budget act, 1984 PA 431, MCL 18.1341, 18.1342, and 18.1386, or authorization by the executive director of the gaming control board. However, the state treasurer or a person designated by the state treasurer may divulge information set forth or disclosed in a return or report or by an investigation or audit to any department, institution, or agency of state government upon receipt of a written request from a head of the department, institution, or agency of state government if it is required for the effective administration or enforcement of the laws of this state, to a proper officer of the United States department of treasury, and to a proper officer of another state reciprocating in this privilege. The state treasurer may enter into reciprocal agreements with other departments of state government, the United States department of treasury, local governmental units within this state, or taxing officials of other states for the enforcement, collection, and exchange of data after ascertaining that any information provided will be subject to confidentiality restrictions substantially the same as the provisions of this act.

(2) A person who violates subsection (1)(e), (1)(f), or (4) is guilty of a felony, punishable by a fine of not more than \$5,000.00, or imprisonment for not more than 5 years, or both, together with the costs of prosecution. In addition, if the offense is committed by an employee of this state, the person shall be dismissed from office or discharged from employment upon conviction.

(3) A person liable for any tax administered under this act shall keep accurate and complete records necessary for the proper determination of tax liability as required by law or rule of the department.

(4) A person who receives information under subsection (1)(f) for the proper administration of the general property tax act, 1893 PA 206, MCL 211.1 to 211.157, shall not willfully disclose that information for any purpose other than the administration of the general property tax act, 1893 PA 206, MCL 211.1 to 211.157. A person who violates this subsection is subject to the penalties provided in subsection (2).

(5) As used in subsection (1), "adjusted gross receipts" and "wagering tax" mean those terms as described in the Michigan gaming control and revenue act, the Initiated Law of 1996, MCL 432.201 to 432.226.

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

**[No. 115]****(HB 4582)**

AN ACT to amend 1925 PA 285, entitled “An act to provide for the organization, operation, and supervision of credit unions; to provide for the conversion of a state credit union into a federal credit union or a credit union organized and supervised under the laws of any other state or territory of the United States or any other federally insured depository institution and for the conversion of a federal credit union or a credit union organized and supervised under the laws of any other state or territory of the United States or any other federally insured depository institution into a state credit union; and to provide for the merger of credit unions organized and supervised under the laws of this state, credit unions organized and supervised under the laws of any other state or territory of the United States, and federal credit unions,” by amending section 16c (MCL 490.16c), as added by 2002 PA 184.

*The People of the State of Michigan enact:*

**490.16c Filing suspicious activity report with federal agency and department of state police; manner; liability.**

Sec. 16c. (1) If a credit union files a suspicious activity report with an agency of the federal government, the credit union shall also within 24 hours file a copy of the suspicious activity report with the department of state police.

(2) A credit union may file the suspicious activity report with the department of state police under subsection (1) in any manner allowed by federal law or regulation or in any other manner acceptable to the department of state police.

(3) Except for a violation of section 5318(g) of title 31 of the United States Code, 31 U.S.C. 5318, a credit union or a director, officer, employee, or agent of the credit union is not liable in any civil or governmental action for filing a copy of a suspicious activity report under this section or failing to notify an account holder or any other person of the filing.

This act is ordered to take immediate effect.

Approved July 29, 2003.

Filed with Secretary of State July 29, 2003.

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**[No. 116]****(HB 4657)**

AN ACT to amend 1984 PA 44, entitled “An act to provide purity and quality standards for motor fuels; to regulate the transfer, sale, dispensing, or offering motor fuels for sale; to provide for an inspection and testing program; to provide for the powers and duties of certain state agencies; to provide for the licensing of certain persons



engaged in the transfer, sale, dispensing, or offering of motor fuels for sale; to regulate stage I and stage II vapor-recovery systems at certain facilities; to provide for fees; and to provide remedies and prescribe penalties,” by amending section 4 (MCL 290.644), as amended by 1986 PA 127.

*The People of the State of Michigan enact:*

**290.644 Transferring, selling, dispensing, or offering gasoline for sale; posting notice on pump dispensing gasoline; contents and design of notice; exception; rule to contain design for uniform notice; violation; liability; disposition of civil fine; applicability of subsection (1).**

Sec. 4. (1) A retail dealer shall not transfer, sell, dispense, or offer gasoline for sale in this state unless the pump dispensing the gasoline is posted with a notice, as provided in subsection (2), that indicates the grade of gasoline and the additives in the gasoline that are dispensed from the pump. If the gasoline contains at least 1% alcohol by volume, the notice shall state: “Contains (indicate the type of alcohol such as methanol, and if methanol the label shall state “alcohol: methanol”, followed, in the same size type, by the concentration to the nearest whole percent)”. If the gasoline contains alcohols or ethers that have a molecular weight greater than ethanol and are not mixed with methanol, those alcohols or ethers are not subject to the notice requirement of this section. Gasoline that contains 10% or less ethanol is not subject to the notice requirement of this section.

(2) The director shall design a uniform means of providing the notice required by subsection (1). The notice shall be designed in such a manner that the consumer can readily identify the grade of gasoline and the additives in the gasoline. The notice shall include a statement indicating that the gasoline dispensed from the pump meets the quality and purity standards established by the laws of this state and indicating the number of the 24-hour toll free consumer hot line maintained pursuant to section 7(2).

(3) The director shall include the design for the uniform notice required by this section in a rule promulgated under the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328.

(4) A person who violates this section or rules promulgated pursuant to this section is liable for a civil fine not to exceed \$1,000.00 for each day of the continuance of the violation. A civil fine ordered pursuant to this section shall be submitted to the state treasurer for deposit in the gasoline inspection and testing fund created by section 8.

(5) Subsection (1) shall not apply until 90 days after the rule required by subsection (3) is promulgated.

**Effective date; condition.**

Enacting section 1. This amendatory act shall not take effect until January 1, 2004, or until the energy policy act of 2003, or the safe, accountable, flexible, and efficient transportation equity act of 2003 is passed by the 108th Congress, whichever comes first.

This act is ordered to take immediate effect.

Approved July 29, 2003.

Filed with Secretary of State July 29, 2003.

**[No. 117]****(HB 4580)**

AN ACT to amend 1999 PA 276, entitled “An act to revise and codify the laws relating to banks, out-of-state banks, and foreign banks; to provide for their regulation and supervision; to prescribe the powers and duties of banks; to prescribe the powers and duties of certain state agencies and officials; to prescribe penalties; and to repeal acts and parts of acts,” by amending section 4406 (MCL 487.14406), as added by 2002 PA 183.

*The People of the State of Michigan enact:*

**487.14406 Filing suspicious activity report with department of state police; manner; liability.**

Sec. 4406. (1) If a bank files a suspicious activity report with an agency of the federal government, the bank shall also within 24 hours file a copy of the suspicious activity report with the department of state police.

(2) A bank may file the suspicious activity report with the department of state police under subsection (1) in any manner allowed by federal law or regulation or in any other manner acceptable to the department of state police.

(3) Except for a violation of section 5318(g) of title 31 of the United States Code, 31 U.S.C. 5318, a bank or a director, officer, employee, or agent of the bank is not liable in any civil or governmental action for filing a copy of a suspicious activity report under this section or failing to notify an account holder or any other person of the filing.

This act is ordered to take immediate effect.

Approved July 29, 2003.

Filing with Secretary of State July 29, 2003.

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**[No. 118]****(HB 4581)**

AN ACT to amend 1996 PA 354, entitled “An act to codify the laws relating to savings banks; to provide for incorporation, regulation, supervision, and internal administration of savings banks; to prescribe the rights, powers, and immunities of savings banks; to prescribe the powers and duties of certain state agencies and officials; to provide for remedies; and to prescribe penalties,” by amending section 514 (MCL 487.3514), as added by 2002 PA 247.

*The People of the State of Michigan enact:*

**487.3514 Suspicious activity report; filing with federal agency and department of state police; liability.**

Sec. 514. (1) If a savings bank files a suspicious activity report with an agency of the federal government, the savings bank shall also within 24 hours file a copy of the suspicious activity report with the department of state police.

(2) A savings bank may file the suspicious activity report with the department of state police under subsection (1) in any manner allowed by federal law or regulation or in any other manner acceptable to the department of state police.

(3) Except for a violation of section 5318(g) of title 31 of the United States Code, 31 U.S.C. 5318, a savings bank or a director, officer, employee, or agent of the savings bank is not liable in any civil or governmental action for filing a copy of a suspicious activity report under this section or failing to notify an account holder or any other person of the filing.

This act is ordered to take immediate effect.

Approved July 29, 2003.

Filed with Secretary of State July 29, 2003.

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**[No. 119]**

**(HB 4522)**

AN ACT to amend 1954 PA 116, entitled “An act to reorganize, consolidate, and add to the election laws; to provide for election officials and prescribe their powers and duties; to prescribe the powers and duties of certain state departments, state agencies, and state and local officials and employees; to provide for the nomination and election of candidates for public office; to provide for the resignation, removal, and recall of certain public officers; to provide for the filling of vacancies in public office; to provide for and regulate primaries and elections; to provide for the purity of elections; to guard against the abuse of the elective franchise; to define violations of this act; to provide appropriations; to prescribe penalties and provide remedies; and to repeal certain acts and all other acts inconsistent with this act,” by amending sections 826, 845, and 933 (MCL 168.826, 168.845, and 168.933), as amended by 1999 PA 217, and by adding section 848.

*The People of the State of Michigan enact:*

**168.826 Determination and declaration of election results; preparation, delivery, and filing of certificate of determination; publication of statement of votes; certified certificate of election.**

Sec. 826. (1) Except as otherwise provided in this subsection, the board of county canvassers shall determine and declare the result of the election for county and local officers, and for all county and local ballot questions. If a city or township has more than 5 precincts, the board of city or township canvassers shall canvass votes for city or township officers and ballot questions. If a state senatorial or representative district is located solely within 1 county, the board of county canvassers shall determine and declare the result of the election for that office. Upon making the determination under this subsection, the board of county canvassers shall prepare a certificate of determination and deliver the properly certified certificate of determination to the county clerk. If the determination relates to a state senatorial or representative district located solely within 1 county, the board of county canvassers shall also deliver the properly certified certificate of determination to the board of state canvassers.

(2) Upon receipt of a properly certified certificate of determination from a board of county canvassers under subsection (1), the county clerk shall file the certificate in his or her office. The county clerk may have a statement of the total county or district votes cast

for the various candidates and the total vote cast for and against the various ballot questions at the election to be published in at least 1 newspaper printed or circulated in that county. The county clerk shall immediately execute and deliver to the persons declared elected, a properly certified certificate of election.

**168.845 Certifying correctness of statement; certificate of determination; certificate of election; declaration of vacancy; publication of constitutional amendment.**

Sec. 845. The members of the board of state canvassers shall certify as to the correctness of the statement provided for in section 844 and subscribe their names to the statement. The members of the board of state canvassers shall determine which persons have been duly elected to each office and which constitutional amendments and propositions, if any, have been approved or rejected. The board shall certify the determinations and deliver the statement and certificate of determinations to the secretary of state. The secretary of state shall file and preserve the statement and certificate of determinations in his or her office and shall immediately execute and deliver a certificate of election to each person elected. If the secretary of state receives notice before the certificate of determinations is issued that the person to whom the certificate of election is to be issued died, withdrew from the district, was declared legally incapacitated by a court having jurisdiction, or submitted to the secretary of state an affidavit declaring that person's intention to refuse the certificate of election, then the secretary of state shall not issue a certificate of election and the office shall be declared vacant as of the commencement of the term of office to which that person would otherwise have been elected. The secretary of state shall also publish any amendment to the constitution that is approved and ratified with the laws enacted by the legislature at its next succeeding session.

**168.848 Postelection statement; violation as misdemeanor; false statement as perjury.**

Sec. 848. (1) Each elected candidate subject to the Michigan campaign finance act, 1976 PA 388, MCL 169.201 to 169.282, and whose candidate committee received or expended more than \$1,000.00 during the election cycle shall file a postelection statement with the filing official designated to receive the elected candidate's candidate committee campaign statements under section 36 of the Michigan campaign finance act, 1976 PA 388, MCL 169.236. All of the following apply to a postelection statement required by this section:

(a) The postelection statement must be on a form prescribed by the secretary of state.

(b) The elected candidate shall file the postelection statement before the elected candidate assumes office.

(c) The postelection statement shall include an attestation signed by the elected candidate that, as of the date of the postelection statement, all statements, reports, late filing fees, and fines required of the candidate or a candidate committee organized to support the candidate's election under the Michigan campaign finance act, 1976 PA 388, MCL 169.201 to 169.282, have been filed or paid.

(d) The postelection statement shall include an attestation signed by the elected candidate acknowledging that making a false statement in a postelection statement is punishable by a fine of not more than \$1,000.00 or imprisonment for not more than 5 years, or both.

(2) Failure to file a postelection statement as required by subsection (1) is a misdemeanor punishable by a fine of not more than \$500.00 or imprisonment for not more than 93 days, or both.

(3) Making a false statement in a postelection statement required under subsection (1) is perjury, punishable as provided in section 936.

**168.933 Perjury; definition.**

Sec. 933. A person who makes a false affidavit or swears falsely while under oath under section 848 or for the purpose of securing registration, for the purpose of voting at an election, or for the purpose of qualifying as a candidate for elective office under section 558 is guilty of perjury.

This act is ordered to take immediate effect.

Approved July 29, 2003.

Filed with Secretary of State July 29, 2003.

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**[No. 120]**

**(HB 4579)**

AN ACT to amend 1980 PA 307, entitled “An act to revise and codify the laws relating to savings and loan associations; to provide for the incorporation, regulation, supervision, and internal administration of associations; to prescribe the rights, powers, and immunities of associations; to provide for voluntary and involuntary changes in the corporate structure of associations; to prescribe the powers, rights, and duties of certain state agencies in relation to associations; to require certain reports and examinations of associations; to prescribe remedies and penalties for violations of this act; and to repeal certain acts and parts of acts,” by amending section 1135 (MCL 491.1135), as added by 2002 PA 185.

*The People of the State of Michigan enact:*

**491.1135 Filing suspicious activity report with federal agency and department of state police; liability.**

Sec. 1135. (1) If an association files a suspicious activity report with an agency of the federal government, the association shall also within 24 hours file a copy of the suspicious activity report with the department of state police.

(2) An association may file the suspicious activity report with the department of state police under subsection (1) in any manner allowed by federal law or regulation or in any other manner acceptable to the department of state police.

(3) Except for a violation of section 5318(g) of title 31 of the United States Code, 31 U.S.C. 5318, an association or a director, officer, employee, or agent of the association is not liable in any civil or governmental action for filing a copy of a suspicious activity report under this section or failing to notify an account holder or any other person of the filing.

This act is ordered to take immediate effect.

Approved July 29, 2003.

Filed with Secretary of State July 29, 2003.

**[No. 121]****(HB 4516)**

AN ACT to amend 1982 PA 415, entitled “An act to improve the training and education of state and local correctional officers; to provide for the certification of state correctional officers and the development of standards and requirements for state and local correctional officers; to provide for the creation of a correctional officers’ training council and a central training academy; and to prescribe the powers and duties of certain state agencies,” by amending the title and sections 2, 3, 4, 5, and 15 (MCL 791.502, 791.503, 791.504, 791.505, and 791.515); and to repeal acts and parts of acts.

*The People of the State of Michigan enact:*

## TITLE

An act to improve the training and education of state correctional officers; to provide for the certification of state correctional officers and the development of standards and requirements for state correctional officers; to provide for the creation of a correctional officers’ training council and a central training academy; and to prescribe the powers and duties of certain state agencies.

**791.502 Definitions.**

Sec. 2. As used in this act:

- (a) “Central training academy” means the central training academy established pursuant to section 15.
- (b) “Correctional facility” means a facility or institution which houses an inmate population under the jurisdiction of the department of corrections.
- (c) “Council” means the correctional officers’ training council created under section 3.
- (d) “Department” means the state department of corrections.
- (e) “Executive secretary” means the executive secretary of the council.
- (f) “State correctional officer” means any person employed by the department in a correctional facility as a correctional officer or a corrections medical aide, or that person’s immediate supervisor.

**791.503 Correctional officers’ training council; creation; duties; membership.**

Sec. 3. The correctional officer’s training council is created within the department and shall establish standards regarding training and education as prescribed in this act. The council shall consist of 8 members appointed by the governor. The members shall be appointed as follows:

- (a) One member shall represent state corrections officers.
- (b) One member shall represent the department.
- (c) One member shall represent the department of management and budget.
- (d) One member shall represent the state personnel director.
- (e) Two members shall represent the public at large.
- (f) Two members shall represent the academic community, at least 1 of whom shall represent Michigan community colleges.

**791.504 Council members; terms; appointment; vacancy; reappointment.**

Sec. 4. (1) All members of the council shall hold office for a term of 3 years. Successors shall be appointed in the same manner as the original appointment.

(2) A person appointed as a member to fill a vacancy created other than by expiration of a term shall be appointed in the same manner as the original appointment for the remainder of the unexpired term of the member whom the person is to succeed.

(3) Any member may be reappointed for additional terms.

**791.505 Council chairperson and vice-chairperson; designation; terms of office; reelection; location and number of council meetings; special meetings; establishment of procedures and requirements; conduct of business at public meeting; public notice; compensation; expenses.**

Sec. 5. (1) The council shall designate from among its members a chairperson and a vice-chairperson who shall serve for 1-year terms and who may be reelected.

(2) The council shall meet at least 4 times in each year at Lansing. The council shall hold special meetings when called by the chairperson or, in the absence of the chairperson, by the vice-chairperson, or when called by the chairperson upon the written request of 4 members of the council. The council shall establish its own procedures and requirements with respect to quorum, place, and conduct of its meeting and other matters.

(3) The business which the council may perform shall be conducted at a public meeting of the council held in compliance with the open meetings act, 1976 PA 267, MCL 15.261 to 15.275. Public notice of the time, date, and place of the meeting shall be given in the manner required by the open meetings act, 1976 PA 267, MCL 15.261 to 15.275.

(4) The members of the council shall serve without compensation but shall be entitled to their actual expenses in attending meetings and in the performance of their duties under this act.

**791.515 Central training academy; establishment; provision of funds; separate appropriation.**

Sec. 15. The department shall establish a central training academy for use as an employee training center for state correctional officers. Funds necessary for the establishment and use of the training academy shall be provided by the department and supported by separate appropriation.

**Repeal of MCL 791.514.**

Enacting section 1. Section 14 of the correctional officers' training act of 1982, 1982 PA 415, MCL 791.514, is repealed.

**Effective date.**

Enacting section 2. This amendatory act takes effect October 1, 2003.

**Conditional effective date.**

Enacting section 3. This amendatory act does not take effect unless all of the following bills of the 92nd Legislature are enacted into law:

- (a) House Bill No. 4515.
- (b) House Bill No. 4517.

This act is ordered to take immediate effect.

Approved July 29, 2003.

Filed with Secretary of State July 29, 2003.

**Compiler's note:** House Bill No. 4515, referred to in enacting section 3, was filed with the Secretary of State August 1, 2003, and became P.A. 2003, No. 125, Eff. Oct. 1, 2003.

House Bill No. 4517, also referred to in enacting section 3, was filed with the Secretary of State August 1, 2003, and became P.A. 2003, No. 124, Eff. Oct. 1, 2003.

**[No. 122]****(HB 4300)**

AN ACT to amend 1913 PA 380, entitled “An act to regulate gifts of real and personal property to cities, villages, townships, and counties, and the use of the those gifts; and to validate all such gifts made before the enactment of this act,” by amending the title and section 2 (MCL 123.872), the title as amended and section 2 as added by 1985 PA 9.

*The People of the State of Michigan enact:*

## TITLE

An act to regulate gifts of real and personal property to cities, villages, townships, and counties, and the use of those gifts and other funds; and to validate all gifts made before the enactment of this act.

**123.872 Loan or grant to assist businesses or for public purposes; assignment of right to repayment; loan revenue bonds.**

Sec. 2. (1) To provide a means and method to encourage and assist businesses in locating and expanding in this state, and if not prohibited by the terms of the grant, a city, village, township, or county may use a federal, state, or local grant or the proceeds of a federal, state, or local grant to make a secured or unsecured loan or to make a grant to a private person, to a corporation or other business association, to a city, village, township, or county, or to an instrumentality of a city, village, township, or county. A county may grant or loan funds to a township, village, or city located within that county for the purpose of encouraging and assisting businesses to locate and expand within the county. A grant or loan under this subsection shall not be derived from ad valorem taxes except for ad valorem taxes approved by a vote of the people for economic development. The county shall establish an application process for proposals to receive a grant or loan under this subsection. The awarding of a grant or loan under this subsection shall be made at a public hearing of the county board of commissioners. The grant or loan contract shall require a report to the county board of commissioners regarding the activities of the recipient and the degree to which the recipient has met the stated public purpose of the funding.

(2) A loan or grant made under subsection (1) may be used for local public improvements or to encourage and assist businesses in locating or expanding in this state, to preserve jobs in this state, to encourage investment in the communities in this state, or for other public purposes.

(3) The right to repayment of a loan made under subsection (1) may be assigned by a city, village, township, or county to an entity, agency, or authority created pursuant to law, or to a private corporation or association created to make and administer loans made under subsection (1).

(4) A city, village, township, or county may receive loans under subsection (1) and issue loan revenue bonds secured by the repayment of loans made under subsection (1). For the purposes specified in subsection (2), bonds issued pursuant to this section shall be approved by the department of treasury before their issuance, but shall not otherwise be subject to the provisions of the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821. In determining whether the issuance of the bonds shall be approved, the department of treasury shall take into consideration the following:

(a) Whether the bonds conform to the provisions of law.



(b) Whether the probable revenue and properties pledged for payment of the bonds will be sufficient to pay the principal of and interest on the bonds when due.

(c) Whether the amount of the proposed issue is sufficient or excessive for the purpose for which the bonds are to be issued.

(5) The loan revenue bonds shall not be general obligations of the city, village, township, or county issuing the loan revenue bonds. The loan revenue bonds are declared to be issued for an essential public and governmental purpose, and, together with interest on those bonds and income from those bonds, shall be exempted from all taxes.

This act is ordered to take immediate effect.

Approved July 29, 2003.

Filed with Secretary of State July 29, 2003.

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**[No. 123]**

**(HB 4502)**

AN ACT to amend 1981 PA 230, entitled “An act to create a bureau of community services and a commission on economic and social opportunity within the department of labor to reduce the causes, conditions, and effects of poverty and promote social and economic opportunities that foster self-sufficiency for low income persons; to provide for the designation of community action agencies; and to prescribe the powers and duties of the bureau, the commission, and the community action agencies,” by amending the title and sections 3, 4, 5, 6, 7, 8, 9, 10, and 11 (MCL 400.1103, 400.1104, 400.1105, 400.1106, 400.1107, 400.1108, 400.1109, 400.1110, and 400.1111), section 11 as amended by 1998 PA 76; and to repeal acts and parts of acts.

*The People of the State of Michigan enact:*

TITLE

An act to create a bureau of community services and a commission on economic and social opportunity within a state department to reduce the causes, conditions, and effects of poverty and promote social and economic opportunities that foster self-sufficiency for low income persons; to provide for the designation of community action agencies; and to prescribe the powers and duties of the department, the bureau, the commission, and the community action agencies.

**400.1103 Definitions; B to D.**

Sec. 3. (1) “Bureau” means the bureau of community action and economic opportunity created in section 5.

(2) “Chief elected official” means a chairperson of a county board of commissioners, a county executive, a city mayor, a township supervisor, a village president, or his or her designee.

(3) “Commission” means the commission on community action and economic opportunity created in section 6.

(4) “Community action agency” means an agency designated pursuant to section 8.

(5) “Community social and economic programs” means those programs provided under section 675 of the community services block grant act, subtitle B or title VI of the omnibus budget reconciliation act of 1981, Public Law 97-35, 42 U.S.C. 9904.

(6) “Department” means the family independence agency or another department or agency designated by the governor to receive and distribute community services block grant funds under the community services block grant act, subtitle B of title VI of the omnibus budget reconciliation act of 1981, Public Law 97-35, 42 U.S.C. 9901 to 9924.

(7) “Director” means the director of the department.

#### **400.1104 Definitions; E to S.**

Sec. 4. (1) “Executive director” means the chief administrator of the bureau.

(2) “Low income person” means a person who is a member of a household that has a gross annual income that is equal to or less than the poverty standard for the same size household.

(3) “Poverty standard” means the federal 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.

(4) “Service area” means the geographical area served by a community action agency.

(5) “State program budget” means state funds, federal block grants, and federal categorical grants that the legislature appropriates annually for community social and economic programs.

#### **400.1105 Bureau of community action; creation; appointment of executive director; powers and duties of bureau.**

Sec. 5. The bureau of community action and economic opportunity is created within the department. The director shall appoint an executive director who is a member of the state classified service or the state career executive service, as established and approved by the civil service commission. Under the supervision of the department, the bureau shall serve as a statewide advocate for social and economic opportunities for low income persons and shall do all of the following:

(a) Coordinate state activities designed to reduce poverty and implement community social and economic programs.

(b) Cooperate with agencies of the state and federal government and other public agencies, nonprofit private agencies, and nonprofit organizations in reducing poverty and implementing community social and economic programs.

(c) Receive and expend funds for any purpose authorized by this act.

(d) Provide assistance to units of local government for the purpose of establishing and operating a community action agency.

(e) Designate community action agencies pursuant to section 8.

(f) Provide technical assistance to community action agencies to improve program planning, program development, administration, and the mobilization of public and private resources. In implementing this subdivision, the department shall contract, when warranted by geographical and other factors or when warranted to meet the requirements of section 15, with public agencies, nonprofit private agencies, or nonprofit organizations.