

(8) Payment of the fee specified in this section exempts the vessel from the tax imposed under the general property tax act, 1893 PA 206, MCL 211.1 to 211.155.

(9) Upon receipt of an initial application for a certificate of number in approved form and payment of the required fee, the secretary of state shall enter the information upon the official records and issue to the applicant a certificate of number containing the number awarded to the vessel, the name and address of the owner, and other information that the secretary of state determines necessary. The secretary of state shall issue a certificate of number that is pocket size and legible. Except as provided in subsection (13), a person operating a vessel shall present that vessel's certificate of number to a peace officer upon the peace officer's request.

(10) If a check or draft payable to the secretary of state under this part is not paid on its first presentation, the fee or tax is delinquent as of the date the draft or check was tendered. The person tendering the check or draft remains liable for the payment of each fee or tax and a penalty.

(11) Upon determining that a fee or tax required by this part has not been paid and remains unpaid after reasonable notice and demand, the secretary of state may suspend a certificate of number.

(12) If a person who tenders a check or draft described in subsection (10) fails to pay a fee or tax within 15 days after the secretary of state gives him or her notice that the check or draft described in subsection (10) was not paid on its first presentation, the secretary of state shall assess and collect a penalty of \$5.00 or 20% of the check or draft, whichever is larger, in addition to the fee or tax.

(13) The owner or authorized agent of the owner of a vessel less than 26 feet in length that is leased or rented to a person for noncommercial use for not more than 24 hours may retain, at the place from which the vessel departs or returns to the possession of the owner or the owner's representative, the certificate of number for that vessel if a copy of the lease or rental agreement is on the vessel. Upon the demand of a peace officer, the operator shall produce for inspection either the certificate of number or a copy of the lease or rental agreement for that vessel. The lease or rental agreement shall contain each of the following:

- (a) The vessel number that appears on the certificate of number.
- (b) The period of time for which the vessel is leased or rented.
- (c) The signature of the vessel's owner or that person's authorized agent.
- (d) The signature of the person leasing or renting the vessel.

(14) Upon receipt of a certificate of number for a vessel, the owner of that vessel shall paint on or attach in a permanent manner to each side of the forward half of the vessel the number identified in the certificate of number, in the manner prescribed by rules promulgated by the department. The secretary of state shall assign to the owner of vessels for rent or lease a block of numbers sufficient to number consecutively all of that owner's rental or lease vessels. The owner shall maintain the numbers in a legible condition. A vessel documented by the United States coast guard or a federal agency that is the successor to the United States coast guard is not required to display numbers under this part but shall display a decal indicating payment of the fee prescribed in subsection (6), and shall otherwise be in compliance with this part. This subsection does not apply to a nonpowered vessel 12 feet or less in length.

(15) Upon receipt of an application for a certificate of number in an approved form and payment of the fee required by this part, the secretary of state shall issue a decal that is color-coded and dated to identify the year of its expiration, and that indicates that the vessel is numbered in compliance with this part. The department shall promulgate a rule or

rules to establish the manner in which the decal is to be displayed. A person who operates a vessel in violation of a rule promulgated to implement this subsection is responsible for a state civil infraction and may be ordered to pay a civil fine of not more than \$500.00.

(16) A decal is valid for a 3-year period that begins on April 1 and expires on March 31 of the third year. An original certificate of number may be issued up to 90 days before April 1. A numbering renewal decal or other renewal device may be issued up to 90 days before the expiration of a certificate.

(17) Upon receipt of a request for renewal of a decal and payment of the fee prescribed in subsection (6), the secretary of state shall issue to the applicant a decal as provided in subsection (15). A person who operates a vessel for which no decal was issued as required under this section or for which a decal has expired is responsible for a state civil infraction and may be ordered to pay a civil fine of not more than \$500.00.

(18) The numbering system adopted under this part shall be in accordance with the standard system of numbering established by the secretary of the department in which the United States coast guard operates.

(19) An agency of this state, a political subdivision of this state, or a state supported college or university of this state that owns a vessel that is required to be numbered under this part shall register that vessel and upon payment of either of the following shall receive from the secretary of state a certificate of number for that vessel:

(a) A fee of \$3.00 for a vessel that is not used for recreational, commercial, or rental purposes.

(b) The fee required under subsection (6) for a vessel that is used for recreational, commercial, or rental purposes.

(20) The secretary of state shall, upon receipt of payment of the fee required under subsection (19), issue a certificate of number for each vessel subject to subsection (19).

(21) A vessel that is 30 years of age or older and not used other than in club activities, exhibitions, tours, parades, and other similar activities is a historic vessel. The secretary of state shall make available to the public application forms for certificates of number for historic vessels and, upon receipt of a completed application form and fee, shall number a historic vessel as a historic vessel. The fee for the numbering of a historic vessel is 1/3 of the otherwise applicable fee specified in subsection (6).

(22) Upon application to the secretary of state, the owner of a nonmotorized canoe or kayak who registered that vessel under former 1967 PA 303 between January 1, 1989 and April 17, 1990 shall receive a refund of a portion of the registration fee equal to the difference in the amount that owner paid and the fee amount provided in subsection (6)(c).

(23) The secretary of state shall refund to the owner of a vessel registered under this part or former 1967 PA 303 all of the registration fee paid for that vessel under this section or section 33 of former 1967 PA 303 if all of the following conditions are met during the period for which the registration fee was paid:

(a) The owner transfers or assigns title or interest in the registered vessel before placing the decal issued under subsection (15) on the vessel.

(b) The owner surrenders the unused decal to the secretary of state within 30 days after the date of transfer or assignment.

(24) The secretary of state shall refund to the surviving spouse of a deceased vessel owner the registration fee paid under this part, prorated on a monthly basis, upon receipt of the decal issued under subsection (15) or evidence satisfactory to the secretary of state that the decal issued under subsection (15) has been destroyed or voided.

(25) If the secretary of state computes a fee under this part that results in a figure other than a whole dollar amount, the secretary of state shall round the figure to the nearest whole dollar.

#### **324.80144 Operation of vessels; rules; violation; fine.**

Sec. 80144. (1) When vessels are being operated in such a manner as to make collision imminent or likely, the following apply:

(a) When 2 vessels are approaching each other head-on, or nearly so, the operator of each shall cause his or her vessel to pass on the port side of the other.

(b) When overtaking a vessel proceeding in the same direction, the operator of the overtaking vessel, unless it is not feasible to do so, shall pass on the port side of the vessel ahead.

(c) When 2 vessels are approaching each other at right angles or obliquely so as to involve risk of collision, other than when 1 vessel is overtaking another, the operator of the vessel that has the other on his or her own port side shall hold his or her course and speed, and the operator of the vessel that has the other on his or her own starboard side shall give way to the other by directing his or her course to starboard so as to cross the stern of the other vessel or, if necessary to do so, shall slacken his or her speed, stop, or reverse.

(d) When a motorboat and a vessel under sail are proceeding in a manner that involves a risk of collision, the operator of the motorboat shall give way to the vessel under sail.

(e) When a motorboat and a vessel not propelled by sail or mechanical means are proceeding in a manner that involves risk of collision, the operator of the motorboat shall give way to the other vessel.

(f) When, by any of the rules provided in this section, the operator of a vessel is required to give way to the other, the operator of the other vessel shall maintain his or her direction and speed.

(2) This section does not relieve the operator of a vessel otherwise privileged by this section from the duty to operate with due regard for the safety of all persons using the waters of this state.

(3) A person who violates this section is responsible for a state civil infraction and may be ordered to pay a civil fine of not more than \$500.00.

#### **324.80145 Operation of vessels; speed; interference with use of waters by others; violation; fine.**

Sec. 80145. A person operating or propelling a vessel upon the waters of this state shall operate it in a careful and prudent manner and at such a rate of speed so as not to endanger unreasonably the life or property of any person. A person shall not operate any vessel at a rate of speed greater than will permit him or her, in the exercise of reasonable care, to bring the vessel to a stop within the assured clear distance ahead. A person shall not operate a vessel in a manner so as to interfere unreasonably with the lawful use by others of any waters. A person who violates this section is responsible for a state civil infraction and may be ordered to pay a civil fine of not more than \$500.00.

#### **324.80146 Maximum or unlimited motorboat speed; rules; maximum motorboat speed where limits not established; exceptions; resolution requesting reduction in maximum speed limit; conditions requiring slow—no wake speed or minimum speed; violation; fine; exceptions; waiver.**

Sec. 80146. (1) The department may promulgate rules to establish maximum motorboat speed limits or to allow unlimited motorboat speed on the waters of this state.

(2) On waters of this state for which a motorboat speed limit is not established under subsection (1), on any waters for which the department has not established an unlimited motorboat speed limit, or on any waters for which stricter speed restrictions are not established pursuant to an act, a maximum speed limit of 55 miles per hour is established, except in an emergency and except for authorized peace and conservation officers when engaged in official duties. The maximum speed limit of 55 miles per hour does not apply to the Great Lakes and Lake St. Clair, except for an area within 1 mile of the shoreline measured at a right angle from the shoreline. Upon receipt of a resolution by the governing body of a local unit of government having jurisdiction over waters of this state requesting a reduction in the maximum speed limit on those waters, the department, pursuant to sections 80108 to 80113, may establish a maximum speed limit not to exceed 40 miles per hour on those waters.

(3) A person shall not operate a motorboat on the waters of this state at a speed greater than slow—no wake speed or the minimum speed necessary for the motorboat to maintain forward movement when within 100 feet of the shoreline where the water depth is less than 3 feet, as determined by vertical measurement, except in navigable channels not otherwise posted.

(4) A person who violates subsection (2) or (3) is responsible for a state civil infraction and may be ordered to pay a civil fine of not more than \$500.00, unless 1 of the following conditions exists:

(a) The requirements of this section have been waived as described under subsection (5).

(b) The person violates this section in a manner that constitutes reckless operation of a motorboat as described in section 80147.

(5) The department may waive the requirements of this section and section 80156 for marine events authorized by the department under section 80164.

**324.80149 Operation of vessels in counter-clockwise fashion; distance between persons being towed and other objects; exception; violation as misdemeanor; violation as civil infraction; fine.**

Sec. 80149. (1) A person operating a vessel on the waters of this state in areas not marked by well defined channels, canals, rivers, or stream courses shall operate the vessels in a counter-clockwise fashion to the extent that it is reasonably possible. These persons and persons being towed on water skis or on a water sled, kite, surfboard, or similar contrivance shall maintain a distance of 100 feet from any dock, raft, buoyed or occupied bathing area, or vessel moored or at anchor, except when the vessel is proceeding at a slow—no wake speed or when water skiers are being picked up or dropped off, if that operation is otherwise conducted with due regard to the safety of persons and property and in accordance with the laws of this state. Except as otherwise provided in subsection (2), a person who violates this section is guilty of a misdemeanor.

(2) A person who violates this section while on any of the following bodies of water in this state is responsible for a state civil infraction and may be ordered to pay a civil fine of not more than \$500.00:

(a) The Great Lakes.

(b) Lake St. Clair.

(c) The St. Clair river.

**324.80151 Towing of persons; prohibited time; violation; fine.**

Sec. 80151. (1) A person operating a vessel shall not have in tow or otherwise be assisting in the propulsion of a person on water skis or on a water sled, surfboard, or other similar contrivance during the period of 1 hour after sunset to 1 hour prior to sunrise.

(2) A person shall not permit himself or herself to be towed on water skis or on a water sled, surfboard, or similar contrivance in violation of this part.

(3) A person who violates this section is responsible for a state civil infraction and may be ordered to pay a civil fine of not more than \$500.00.

**324.80169 Arrest without warrant; nonresidents; recognizance; receipt and summons; failure to appear; deposit of money; report; embezzlement.**

Sec. 80169. (1) If a person not a resident of this state is arrested without a warrant for a violation of this part under conditions not referred to under section 80167, the officer making the arrest, upon demand of the arrested person, shall immediately take the person for arraignment by a magistrate or a district court judge in the vicinity to answer to the complaint made against him or her. If a magistrate or a district court judge is not available or an immediate trial cannot be had, the person arrested may recognize to the officer for his or her appearance by leaving with him or her not more than \$200.00.

(2) The officer making the arrest shall give a receipt to the person arrested for the money deposited with him or her under subsection (1), together with a written summons as provided in section 80168.

(3) If the offender fails to appear as required, the deposit shall be forfeited as in other cases of default in bail, in addition to any other penalty provided in this part.

(4) Not more than 48 hours after taking a deposit under this section, the officer shall deposit the money with the magistrate or the district court judge named in the notice to appear, together with a report stating the facts relating to the arrest. Failure to make the report and deposit the money is embezzlement of public money.

**324.80180 Peace officer; arrest without warrant; reasonable cause; conditions; returning vessel and occupants to shore; effect of not charging person receiving citation.**

Sec. 80180. (1) A peace officer, without a warrant, may arrest a person if the peace officer has reasonable cause to believe that the person was, at the time of an accident, the operator of a vessel involved in the accident in this state while in violation of section 80176(1), (3), (4), or (5) or a local ordinance substantially corresponding to section 80176(1) or (3).

(2) A peace officer who has reasonable cause to believe that a person was operating a vessel on the waters of this state, and that, by the consumption of intoxicating liquor, the person may have affected his or her ability to operate a vessel, may require the person to submit to a preliminary chemical breath analysis. The following apply with respect to a preliminary chemical breath analysis:

(a) Only a peace officer who has successfully completed a training course taught by a state-certified instructor in the administration of the preliminary chemical breath analysis may administer that test.

(b) A peace officer may arrest a person based in whole or in part upon the results of a preliminary chemical breath analysis.

(c) The results of a preliminary chemical breath analysis are admissible in a criminal prosecution for a crime described in section 80187(1) or in an administrative hearing solely to assist the court or hearing officer in determining a challenge to the validity of an arrest. This subdivision does not limit the introduction of other competent evidence offered to establish the validity of an arrest.

(d) A person who submits to a preliminary chemical breath analysis remains subject to the requirements of sections 80187 to 80190 for the purposes of chemical tests described in those sections.

(e) A person who refuses to submit to a preliminary chemical breath analysis upon a lawful request by a peace officer is responsible for a state civil infraction and may be ordered to pay a civil fine of not more than \$500.00.

(3) A peace officer making an arrest under this part shall take measures to assure that the vessel and its occupants are safely returned to shore.

(4) If, not more than 60 days after the issuance of a citation for a state civil infraction under this section, the person to whom the citation is issued is not charged with a violation of section 80176(1), (3), (4), or (5) or a local ordinance substantially corresponding to section 80176(1) or (3), the citation issued for the state civil infraction is void. Upon application of the person to whom the citation is issued, money paid by the person as a fine, costs, or otherwise shall be immediately returned.

**324.80198b Public bathing beaches; buoys required; prohibited swimming area; exception; violation; fine.**

Sec. 80198b. (1) The owner or person in charge of a bathing beach maintained primarily for public use shall not knowingly permit a person to bathe or swim from the bathing beach unless buoys outlining a safe bathing or swimming area are established in accordance with section 80159.

(2) A person who is bathing or swimming from a bathing beach maintained primarily for public use shall not bathe or swim in waters that are within 100 feet beyond the buoyed bathing or swimming area. This subsection does not apply to persons swimming from adjacent privately owned beaches that are not open to the general public.

(3) A person who violates this section is responsible for a state civil infraction and may be ordered to pay a civil fine of not more than \$500.00.

**324.80205 Operation of personal watercraft; requirements; violation; fine.**

Sec. 80205. (1) Until March 16, 2009, except as otherwise provided in this section, a person shall not operate a personal watercraft on the waters of this state unless each person riding on or being towed behind the personal watercraft is wearing a type I, type II, or type III personal flotation device as described in R 281.1234 of the Michigan administrative code.

(2) Beginning March 16, 2009, except as otherwise provided in this section, a person shall not operate a personal watercraft on the waters of this state unless each person 12 years of age or older riding on or being towed behind the personal watercraft is wearing a type I, type II, or type III personal flotation device as described in R 281.1234 of the Michigan administrative code.

(3) Beginning March 16, 2009, a person shall not operate a personal watercraft on the waters of this state unless each person on board or being towed by the personal watercraft who is less than 12 years of age is wearing a type I or type II personal flotation device as described in R 281.1234 of the Michigan administrative code.

(4) A person shall not operate a personal watercraft on the waters of this state unless each person on board the personal watercraft is wearing a personal flotation device that is not inflatable.

(5) A person shall not operate a personal watercraft on the waters of this state if a child who is under 7 years of age is on board or being towed behind the personal watercraft unless the child is in the company of his or her parent or guardian or a designee of the parent or guardian.

(6) While operating a personal watercraft equipped by the manufacturer with a lanyard-type engine cutoff switch on the waters of this state, a person shall have the lanyard attached

to his or her person, clothing, or personal flotation device as is appropriate for the personal watercraft.

(7) A person shall not operate a personal watercraft on the waters of this state during the period that begins 1 hour before sunset and ends at 8 a.m. As used in this subsection, “sunset” means that time as determined by the national weather service.

(8) A person operating a personal watercraft on the waters of this state shall not cross within 150 feet behind another vessel, other than a personal watercraft, unless the person is operating the personal watercraft at slow—no wake speed. A person who violates this subsection is responsible for a state civil infraction and may be ordered to pay a civil fine of not more than \$500.00.

(9) A person shall not operate a personal watercraft on the waters of this state where the water depth is less than 2 feet, as determined by vertical measurement, unless 1 or both of the following circumstances exist:

(a) The personal watercraft is being operated at slow—no wake speed.

(b) The personal watercraft is being docked or launched.

(10) A person who violates subsection (9) is responsible for a state civil infraction and may be ordered to pay a civil fine of not more than \$500.00.

(11) A person shall operate a personal watercraft in a reasonable and prudent manner. A maneuver that unreasonably or unnecessarily endangers life, limb, or property, including, but not limited to, all of the following, constitutes reckless operation of a personal watercraft under section 80208:

(a) Weaving through congested vessel traffic.

(b) Jumping the wake of another vessel unreasonably or unnecessarily close to the other vessel or when visibility around the other vessel is obstructed.

(c) Waiting until the last possible moment before swerving to avoid a collision.

(12) A person shall not operate a personal watercraft on the waters of this state carrying more persons than the personal watercraft is designed to carry.

(13) A violation of subsection (12) is prima facie evidence of reckless operation of a watercraft under section 80208.

(14) A person operating a personal watercraft in excess of the speeds established under part 801 is guilty of reckless operation of a personal watercraft under section 80208.

(15) This section does not apply to a performer engaged in a professional exhibition or a person preparing to participate or participating in a regatta, race, marine parade, tournament, or exhibition held in compliance with section 80164 under a permit issued by the department and at the time and place specified in the permit.

(16) The department shall annually prepare and submit to the standing committees of the senate and house of representatives with primary jurisdiction over marine safety issues an accident report related to the use of personal watercraft, the types of personal flotation devices that were being used, and the injuries that resulted.

### **Repeal of enacting section 1 of 2004 PA 547.**

Enacting section 1. Enacting section 1 of 2004 PA 547 is repealed.

This act is ordered to take immediate effect.

Approved May 10, 2007.

Filed with Secretary of State May 11, 2007.

**[No. 9]****(HB 4482)**

AN ACT to amend 1939 PA 280, entitled “An act to protect the welfare of the people of this state; to provide general assistance, hospitalization, infirmary and medical care to poor or unfortunate persons; to provide for compliance by this state with the social security act; to provide protection, welfare and services to aged persons, dependent children, the blind, and the permanently and totally disabled; to administer programs and services for the prevention and treatment of delinquency, dependency and neglect of children; to create a state department of social services; to prescribe the powers and duties of the department; to provide for the interstate and intercounty transfer of dependents; to create county and district departments of social services; to create within certain county departments, bureaus of social aid and certain divisions and offices thereunder; to prescribe the powers and duties of the departments, bureaus and officers; to provide for appeals in certain cases; to prescribe the powers and duties of the state department with respect to county and district departments; to prescribe certain duties of certain other state departments, officers, and agencies; to make an appropriation; to prescribe penalties for the violation of the provisions of this act; and to repeal certain parts of this act on specific dates,” by amending sections 57d, 57g, and 57r (MCL 400.57d, 400.57g, and 400.57r), section 57d as amended by 2005 PA 323 and section 57g as amended and section 57r as added by 2006 PA 468.

*The People of the State of Michigan enact:*

**400.57d Weekly orientation sessions; development of family self-sufficiency plan; compliance required; penalties; reassessment of recipient’s eligibility.**

Sec. 57d. (1) The department and the department of labor and economic growth shall conduct weekly orientation sessions for family independence assistance applicants. After the department makes an initial determination that an adult or a child aged 16 or older who is not attending elementary or secondary school full-time may be eligible for family independence assistance and is not exempt from work first participation under section 57f, that individual shall participate in assigned work-related activities. The individual, the department, and a work first representative shall develop the family’s family self-sufficiency plan in accordance with section 57e.

(2) If an applicant who is not exempt from work first participation under section 57f fails to cooperate with work first or other required employment and training activities, the family is ineligible for family independence assistance.

(3) The department shall impose penalties under section 57g if a recipient fails to comply with any of the following:

- (a) Work first activities.
- (b) Employment and training activities.
- (c) Child support requirements.

(4) The department shall impose penalties under section 57g if the individual fails to comply with the individual’s family self-sufficiency plan’s requirements.

(5) If the individual is complying with the family self-sufficiency plan, the department, a work first representative, and the recipient shall revise the family self-sufficiency plan if necessary and the family independence assistance group shall continue to receive family independence assistance so long as the recipients meet family independence assistance program requirements.



(6) The department shall reassess the recipient's eligibility for family independence assistance not later than 24 months after the date the application for family independence assistance was approved. At the time of a reassessment under this subsection, the recipient shall meet with his or her department caseworker and work first program caseworker and redevelop the family self-sufficiency plan.

**400.57g Failure to comply with rules or provisions; penalties; "noncompliance" defined; termination; "willingness to comply" defined; report; applicability of subsections (1) to (8); applicability of subsections (10) to (15); penalties after April 1, 2007; notice; good cause defined; notification; meeting; termination of benefits; section inapplicable after September 30, 2011.**

Sec. 57g. (1) The department shall develop a system of penalties to be imposed if a recipient fails to comply with applicable rules or the provisions of this section. Penalties may be cumulative and may include reduction of the grant, removal of an individual from the family independence assistance group, and termination of assistance to the family.

(2) A penalty shall not be imposed if the recipient has demonstrated that there was good cause for failing to comply. The department shall determine the circumstances that constitute good cause based on factors that are beyond the control of a recipient.

(3) Recipients who are willing to participate in activities leading to self-sufficiency but who require child care or transportation in order to participate shall not be penalized if the department determines that child care or transportation is not reasonably available or provided to them.

(4) The system of penalties developed under subsection (1) shall include both of the following:

(a) Family independence program benefits shall be terminated if a recipient fails, without good cause, to comply with applicable child support requirements including efforts to establish paternity and obtain child support. The assistance group is ineligible for family independence program assistance for not less than 1 calendar month. After assistance has been terminated for not less than 1 calendar month, assistance may be restored if the noncompliant recipient complies with child support requirements including the action to establish paternity and obtain child support.

(b) If good cause is not determined to exist, assistance shall be terminated. After termination, the assistance group is ineligible for family independence program assistance for not less than 1 calendar month.

(5) For the purposes of subsections (1) to (8), "noncompliance" means 1 or more of the following:

(a) A recipient quits a job.

(b) A recipient is fired for misconduct or for absenteeism without good cause.

(c) A recipient voluntarily reduces the hours of employment or otherwise reduces earnings.

(d) A recipient does not participate in work first activities.

(6) If a recipient does not meet the recipient's individual social contract requirements, the department may impose a penalty.

(7) After termination for noncompliance, the assistance group is ineligible for family independence program assistance for not less than 1 calendar month. After assistance has been terminated for not less than 1 calendar month, family independence program assistance may be approved if the recipient completes a willingness to comply test. For purposes of this

section, “willingness to comply” means participating in work first or other self-sufficiency activities for up to 40 hours within 10 working days. At the time any penalty is imposed under this section, the department shall provide the recipient written notice of his or her option to immediately reapply for family independence program benefits and that he or she may complete a “willingness to comply test” during the penalty period.

(8) The department shall submit a report for the period between February 1, 2002 and December 31, 2002 to the legislature, the house and senate fiscal agencies, and the appropriate house and senate standing committees that handle family and children’s issues, that contains all of the following information for that time period:

- (a) The number of sanctions imposed and reapplications made.
- (b) The number of family independence program cases reopened.
- (c) The number of referrals to emergency shelters by the department.
- (d) The number of sanctions imposed on families with at least 1 disabled parent.
- (e) The number of sanctions imposed on families with disabled children.

(9) Subsections (1) to (8) do not apply after March 31, 2007. Subsections (10) to (15) apply beginning April 1, 2007.

(10) Beginning April 1, 2007, if a recipient does not meet his or her individual family self-sufficiency plan requirements and is therefore noncompliant, the department shall impose the penalties described under this section. The department shall implement a schedule of penalties for instances of noncompliance as described in this subsection. The penalties shall be as follows:

- (a) For the first instance of noncompliance, the family is ineligible to receive family independence program assistance for not less than 3 calendar months.
- (b) For the second instance of noncompliance, the family is ineligible to receive family independence program assistance for not less than 3 calendar months.
- (c) For the third instance of noncompliance, the family is ineligible to receive family independence program assistance for 12 calendar months.

(11) For the purposes of subsections (10) to (16), “noncompliance” means 1 or more of the following:

- (a) A recipient quits a job.
- (b) A recipient is fired for misconduct or absenteeism.
- (c) A recipient does not participate in work first activities.
- (d) A recipient is noncompliant with his or her family self-sufficiency plan.

(12) For any instance of noncompliance, the recipient shall receive not less than 12 days’ notice before the penalties prescribed in this section are imposed. If the recipient demonstrates good cause for the noncompliance during this period and if the family independence specialist caseworker and the work first program caseworker agree that good cause exists for the recipient’s noncompliance, a penalty shall not be imposed. For the purpose of this subsection, good cause is 1 or more of the following:

(a) The recipient suffers from a temporary debilitating illness or injury or an immediate family member has a debilitating illness or injury and the recipient is needed in the home to care for the family member.

(b) The recipient lacks child care as described in section 407(e)(2) of the personal responsibility and work opportunity reconciliation act of 1996, Public Law 104-193, 42 USC 607(e)(2).

(c) Either employment or training commuting time is more than 2 hours per day or is more than 3 hours per day when there are unique and compelling circumstances, such as a

salary at least twice the applicable minimum wage or the job is the only available job placement within a 3-hour commute per day, not including the time necessary to transport a child to child care facilities.

(d) Transportation is not available to the recipient at a reasonable cost.

(e) The employment or participation involves illegal activities.

(f) The recipient is physically or mentally unfit to perform the job, as documented by medical evidence or by reliable information from other sources.

(g) The recipient is illegally discriminated against on the basis of age, race, disability, gender, color, national origin, or religious beliefs.

(h) Credible information or evidence establishes 1 or more unplanned or unexpected events or factors that reasonably could be expected to prevent, or significantly interfere with, the recipient's compliance with employment and training requirements.

(i) The recipient quit employment to obtain comparable employment.

(13) For all instances of noncompliance resulting in termination of family independence assistance for any period of time described in subsection (10), the period of time the recipient is ineligible to receive family independence program assistance applies toward the recipient's 48-month cumulative lifetime total.

(14) Beginning April 1, 2007, for the first instance that a family independence specialist caseworker determines a recipient to be noncompliant, all of the following shall occur:

(a) The department shall notify the recipient in writing within 3 business days of determining that the recipient is noncompliant. The notification shall include all of the following:

(i) The reason the recipient has been determined to be noncompliant.

(ii) The penalty that will be imposed for the noncompliance.

(iii) An opportunity for the recipient to meet in person with the family independence specialist caseworker within 10 business days of the determination that the recipient is noncompliant.

(b) If the recipient meets with a family independence specialist caseworker within 10 business days, the family independence specialist caseworker and the recipient shall review and modify the family self-sufficiency plan as determined necessary by the family independence specialist caseworker. The family independence specialist caseworker shall discuss and provide an official warning regarding penalties that shall be imposed if the recipient continues to be noncompliant. The family independence specialist caseworker shall inform the recipient that he or she must verify compliance with his or her family self-sufficiency plan within 10 business days.

(c) If the recipient fails to meet with the family independence specialist caseworker within 10 business days of the determination that the recipient is noncompliant, the recipient is subject to the provisions of subsection (10)(a).

(d) If the recipient fails to verify compliance under subdivision (b), the recipient is subject to the provisions of subsection (10)(a).

(15) The meeting described in subsection (14) is only available for the first time a family independence specialist caseworker determines the recipient to be noncompliant regardless of whether that recipient becomes subject to the provisions of subsection (10)(a).

(16) Family independence program benefits shall be terminated if a recipient fails, without good cause, to comply with applicable child support requirements including efforts to establish paternity and obtain child support. The assistance group is ineligible for family independence program assistance for not less than 1 calendar month. After assistance has been terminated for not less than 1 calendar month, assistance may be restored if the noncompliant recipient

complies with child support requirements including the action to establish paternity and obtain child support.

(17) This section does not apply after September 30, 2011.

**400.57r Family independence assistance benefits; extension; section inapplicable after September 30, 2011.**

Sec. 57r. (1) Beginning October 1, 2007, if the department determines that an individual is eligible to participate in the work first program and resides in a county in which a jobs, education and training (JET) program is available, family independence assistance shall be paid to that individual for not longer than a cumulative total of 48 months during that individual's lifetime. If the recipient is meeting all the requirements outlined in his or her family self-sufficiency plan, has not received more than 2 penalties under section 57g after October 1, 2007, has not received any penalties under section 57g in the preceding 12 months, and labor market conditions or employment barriers prevent employment placement, the recipient may apply to the department for an extension of family independence assistance benefits for a period not to exceed 12 months over the 48-month cumulative lifetime total. Nothing in this subsection prevents the department from providing assistance to individuals who are determined to be exempt from work first participation under section 57f.

(2) This section does not apply after September 30, 2011.

This act is ordered to take immediate effect.

Approved May 18, 2007.

Filed with Secretary of State May 18, 2007.

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**[No. 10]**

**(HB 4327)**

AN ACT to repeal 1939 PA 113, entitled "An act relative to domestic or foreign grown tomatoes; and to prescribe penalties for the violation of the provisions of this act," (MCL 752.751 to 752.752).

*The People of the State of Michigan enact:*

**Repeal of MCL 752.751 to 752.752.**

Enacting section 1. 1939 PA 113, MCL 752.751 to 752.752, is repealed.

This act is ordered to take immediate effect.

Approved May 24, 2007.

Filed with Secretary of State May 24, 2007.

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**[No. 11]**

**(HB 4322)**

AN ACT to amend 1998 PA 58, entitled "An act to create a commission for the control of the alcoholic beverage traffic within this state, and to prescribe its powers, duties, and limitations; to provide for powers and duties for certain state departments and agencies; to

impose certain taxes for certain purposes; to provide for the control of the alcoholic liquor traffic within this state and to provide for the power to establish state liquor stores; to prohibit the use of certain devices for the dispensing of alcoholic vapor; to provide for the care and treatment of alcoholics; to provide for the incorporation of farmer cooperative wineries and the granting of certain rights and privileges to those cooperatives; to provide for the licensing and taxation of activities regulated under this act and the disposition of the money received under this act; to prescribe liability for retail licensees under certain circumstances and to require security for that liability; to provide procedures, defenses, and remedies regarding violations of this act; to provide for the enforcement and to prescribe penalties for violations of this act; to provide for allocation of certain funds for certain purposes; to provide for the confiscation and disposition of property seized under this act; to provide referenda under certain circumstances; and to repeal acts and parts of acts,” by amending section 513 (MCL 436.1513), as amended by 2004 PA 141.

*The People of the State of Michigan enact:*

**436.1513 Licenses; issuance to governing board of college or university; restrictions and prohibition; sale of alcoholic liquor on hotel premises located on land owned by central Michigan university; license to private entity; conditions; nontransferability; fee; “college,” “university,” and “conference center” defined.**

Sec. 513. (1) The commission may issue to the governing board of a college or university, without regard to the quota provisions of section 531, a license to sell alcoholic liquor for consumption on the premises of a conference center operated by the governing board. Licenses granted under this subsection may be used only for the sale of alcoholic liquor at regularly scheduled conference center activities. The sale of alcoholic liquor to unscheduled patrons or at unscheduled events is prohibited under this subsection.

(2) Subject to the provisions of section 531, the commission may issue a license to a private entity for the sale of alcoholic liquor for consumption on the premises of a hotel located on land owned by central Michigan university if both of the following circumstances exist:

(a) The land is leased or subleased at fair market value to a private entity that owns, leases, or subleases the hotel building and its fixtures.

(b) The hotel and land are located within an industrial, research, or commercial development park established by the governing board of central Michigan university.

(3) Licenses issued pursuant to this section are nontransferable, and the licensee shall pay the fee required under section 525.

(4) As used in this section:

(a) “College” or “university” means a 2-year or 4-year state supported institution of higher education.

(b) “Conference center” means a building or portion of a building, other than a student residence hall or student center, which has meeting rooms, banquet areas, social halls, overnight accommodations, and related facilities for special activities scheduled by the college or university, which in the judgment of the commission, has been regularly used for conferences and lodging of guests. The convocation center and the corporate education center at eastern Michigan university, the Kirkhof and Eberhard centers at Grand Valley state university, the Bernhard center at western Michigan university, the Wadsworth center at Michigan technological university, the West complex at Saginaw Valley state university, the conference center at Big Rapids, the applied technology center at Grand Rapids and the FSU-GR conference center of Ferris state university, Grand Rapids junior college, the Waterman campus

center at Schoolcraft college, the Mendel center at Lake Michigan community college, the McGregor memorial conference center at Wayne state university, the Michigan state university management educational center, the Superior dome at northern Michigan university, the Walker Cisler center at Lake Superior state university, the Marie Prahl college center at Mott community college, the John T. Parsons and Frank L. Stulen Michigan technical education center, the Gerald and Frances Oleson center, the Denmos museum center, and the Great Lakes campus at northwestern Michigan college, the farmhouse at Delta college, the Oakland community college culinary studies institute, and the performing arts and cultural center complex at Macomb community college are considered conference centers for the purposes of this act.

This act is ordered to take immediate effect.

Approved May 24, 2007.

Filed with Secretary of State May 24, 2007.

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**[No. 12]**

**(SB 400)**

AN ACT to amend 1974 PA 198, entitled “An act to provide for the establishment of plant rehabilitation districts and industrial development districts in local governmental units; to provide for the exemption from certain taxes; to levy and collect a specific tax upon the owners of certain facilities; to impose and provide for the disposition of an administrative fee; to provide for the disposition of the tax; to provide for the obtaining and transferring of an exemption certificate and to prescribe the contents of those certificates; to prescribe the powers and duties of the state tax commission and certain officers of local governmental units; and to provide penalties,” by amending section 2 (MCL 207.552), as amended by 2005 PA 267.

*The People of the State of Michigan enact:*

**207.552 Definitions.**

Sec. 2. (1) “Commission” means the state tax commission created by 1927 PA 360, MCL 209.101 to 209.107.

(2) “Facility” means either a replacement facility, a new facility, or, if applicable by its usage, a speculative building.

(3) “Replacement facility” means 1 of the following:

(a) In the case of a replacement or restoration that occurs on the same or contiguous land as that which is replaced or restored, industrial property that is or is to be acquired, constructed, altered, or installed for the purpose of replacement or restoration of obsolete industrial property together with any part of the old altered property that remains for use as industrial property after the replacement, restoration, or alteration.

(b) In the case of construction on vacant noncontiguous land, property that is or will be used as industrial property that is or is to be acquired, constructed, transferred, or installed for the purpose of being substituted for obsolete industrial property if the obsolete industrial property is situated in a plant rehabilitation district in the same city, village, or township as the land on which the facility is or is to be constructed and includes the obsolete industrial property itself until the time as the substituted facility is completed.

(4) “New facility” means new industrial property other than a replacement facility to be built in a plant rehabilitation district or industrial development district.

(5) “Local governmental unit” means a city, village, or township located in this state.

(6) “Industrial property” means land improvements, buildings, structures, and other real property, and machinery, equipment, furniture, and fixtures or any part or accessory whether completed or in the process of construction comprising an integrated whole, the primary purpose and use of which is the engaging in a high-technology activity, operation of a strategic response center, operation of a motorsports entertainment complex, operation of a logistical optimization center, operation of qualified commercial activity, the manufacture of goods or materials, creation or synthesis of biodiesel fuel, or the processing of goods and materials by physical or chemical change; property acquired, constructed, altered, or installed due to the passage of proposal A in 1976; the operation of a hydro-electric dam by a private company other than a public utility; or agricultural processing facilities. Industrial property includes facilities related to a manufacturing operation under the same ownership, including, but not limited to, office, engineering, research and development, warehousing, or parts distribution facilities. Industrial property also includes research and development laboratories of companies other than those companies that manufacture the products developed from their research activities and research development laboratories of a manufacturing company that are unrelated to the products of the company. For applications approved by the legislative body of a local governmental unit between June 30, 1999 and December 31, 2007, industrial property also includes an electric generating plant that is not owned by a local unit of government, including, but not limited to, an electric generating plant fueled by biomass. Industrial property also includes convention and trade centers over 250,000 square feet in size. Industrial property also includes a federal reserve bank operating under 12 USC 341, located in a city with a population of 750,000 or more. Industrial property may be owned or leased. However, in the case of leased property, the lessee is liable for payment of ad valorem property taxes and shall furnish proof of that liability. Industrial property does not include any of the following:

(a) Land.

(b) Property of a public utility other than an electric generating plant that is not owned by a local unit of government and for which an application was approved by the legislative body of a local governmental unit between June 30, 1999 and December 31, 2007.

(c) Inventory.

(7) “Obsolete industrial property” means industrial property the condition of which is substantially less than an economically efficient functional condition.

(8) “Economically efficient functional condition” means a state or condition of property the desirability and usefulness of which is not impaired due to changes in design, construction, technology, or improved production processes, or from external influencing factors which make the property less desirable and valuable for continued use.

(9) “Research and development laboratories” means building and structures, including the machinery, equipment, furniture, and fixtures located in the building or structure, used or to be used for research or experimental purposes that would be considered qualified research as that term is used in section 41 of the internal revenue code, 26 USC 41, except that qualified research also includes qualified research funded by grant, contract, or otherwise by another person or governmental entity.

(10) “Manufacture of goods or materials” or “processing of goods or materials” means any type of operation that would be conducted by an entity included in the classifications provided by sector 31-33 — manufacturing, of the North American industry classification system, United States, 1997, published by the office of management and budget, regardless of whether the entity conducting that operation is included in that manual.

(11) “High-technology activity” means that term as defined in section 3 of the Michigan economic growth authority act, 1995 PA 24, MCL 207.803.

(12) “Logistical optimization center” means a sorting and distribution center that supports a private passenger motor vehicle assembly center and its manufacturing process for the purpose of optimizing transportation, just-in-time inventory management, and material handling, and to which all of the following apply:

(a) The sorting and distribution center is within 2 miles of a private passenger motor vehicle assembly center that, together with supporting facilities, contains at least 800,000 square feet.

(b) The sorting and distribution center contains at least 950,000 square feet.

(c) The sorting and distribution center has applied for an industrial facilities exemption certificate after June 30, 2005 and before January 1, 2006.

(d) The private passenger motor vehicle assembly center is located on land conditionally transferred by a township with a population of more than 25,000 under 1984 PA 425, MCL 124.21 to 124.30, to a city with a population of more than 100,000 that levies an income tax under the city income tax act, 1964 PA 284, MCL 141.501 to 141.787.

(13) “Commercial property” means that term as defined in section 2 of the obsolete property rehabilitation act, 2000 PA 146, MCL 125.2782.

(14) “Qualified commercial activity” means commercial property that meets all of the following:

(a) An application for an exemption certificate approved by the local governmental unit is filed for approval by the state tax commission not later than April 30, 2006.

(b) At least 90% of the property, excluding the surrounding green space, is used for warehousing, distribution, and logistics purposes that provide food for institutional, restaurant, hospital, or hotel customers.

(c) Is located within a village and is within 15 miles of a Michigan state border.

(d) Occupies 1 or more buildings or structures that together are greater than 300,000 square feet in size.

(15) “Motorsports entertainment complex” means a closed-course motorsports facility, and its ancillary grounds and facilities, that satisfies all of the following:

(a) Has at least 70,000 fixed seats for race patrons.

(b) Has at least 6 scheduled days of motorsports events each calendar year, at least 2 of which shall be comparable to nascar nextel cup events held in 2007 or their successor events.

(c) Serves food and beverages at the facility during sanctioned events each calendar year through concession outlets, a majority of which are staffed by individuals who represent or are members of 1 or more nonprofit civic or charitable organizations that directly financially benefit from the concession outlets’ sales.

(d) Engages in tourism promotion.

(e) Has permanent exhibitions of motorsports history, events, or vehicles.

### **Conditional effective date.**

Enacting section 1. This amendatory act does not take effect unless House Bill No. 4629 of the 94th Legislature is enacted into law.

This act is ordered to take immediate effect.

Approved May 29, 2007.

Filed with Secretary of State May 29, 2007.



**[No. 13]****(HB 4629)**

AN ACT to amend 1974 PA 198, entitled “An act to provide for the establishment of plant rehabilitation districts and industrial development districts in local governmental units; to provide for the exemption from certain taxes; to levy and collect a specific tax upon the owners of certain facilities; to impose and provide for the disposition of an administrative fee; to provide for the disposition of the tax; to provide for the obtaining and transferring of an exemption certificate and to prescribe the contents of those certificates; to prescribe the powers and duties of the state tax commission and certain officers of local governmental units; and to provide penalties,” by amending section 3 (MCL 207.553), as amended by 1996 PA 1.

*The People of the State of Michigan enact:*

**207.553 Additional definitions.**

Sec. 3. (1) “Plant rehabilitation district” means an area of a local governmental unit established as provided in section 4.

(2) “Industrial development district” means an area established by a local governmental unit as provided in section 4.

(3) “Industrial facility tax” means the specific tax levied under this act.

(4) “Industrial facilities exemption certificate” means a certificate issued pursuant to sections 5, 6, and 7.

(5) “Replacement” means the complete or partial demolition of obsolete industrial property and the complete or partial reconstruction or installation of new property of similar utility.

(6) “Restoration” means changes to obsolete industrial property other than replacement as may be required to restore the property, together with all appurtenances to the property, to an economically efficient functional condition. Restoration does not include delayed maintenance or the substitution or addition of tangible personal property without major renovation of the industrial property. A program involving expenditures for changes to the industrial property improvements aggregating less than 10% of the true cash value at commencement of the restoration of the industrial property improvements is delayed maintenance. Restoration includes major renovation including but not necessarily limited to the improvement of floor loads, correction of deficient or excessive height, new or improved building equipment, including heating, ventilation, and lighting, reducing multistory facilities to 1 or 2 stories, improved structural support including foundations, improved roof structure and cover, floor replacement, improved wall placement, improved exterior and interior appearance of buildings, improvements or modifications of machinery and equipment to improve efficiency, decrease operating costs, or to increase productive capacity, and other physical changes as may be required to restore the industrial property to an economically efficient functional condition, and shall include land and building improvements and other tangible personal property incident to the improvements.

(7) “State equalized valuation” means the valuation determined under 1911 PA 44, MCL 209.1 to 209.8.

(8) “Speculative building” means a new building that meets all of the following criteria and the machinery, equipment, furniture, and fixtures located in the new building:

(a) The building is owned by, or approved as a speculative building by resolution of, a local governmental unit in which the building is located or the building is owned by a development organization and located in the district of the development organization.

(b) The building is constructed for the purpose of providing a manufacturing facility before the identification of a specific user of that building.

(c) The building does not qualify as a replacement facility.

(9) “Development organization” means any economic development corporation, downtown development authority, tax increment financing authority, or an organization under the supervision of and created for economic development purposes by a local governmental unit.

(10) “Manufacturing facility” means buildings and structures, including the machinery, equipment, furniture, and fixtures located therein, the primary purpose of which is 1 or more of the following:

(a) The manufacture of goods or materials or the processing of goods and materials by physical or chemical change.

(b) The provision of research and development laboratories of companies whether or not the company manufactures the products developed from their research activities.

(11) “Taxable value” means that value determined under section 27a of the general property tax act, 1893 PA 206, MCL 211.27a.

(12) “Strategic response center” means a facility that provides catastrophe response solutions through the development and staffing of a national response center for which a plant rehabilitation district or an industrial development district was created before December 31, 2007.

### **Conditional effective date.**

Enacting section 1. This amendatory act does not take effect unless Senate Bill No. 400 of the 94th Legislature is enacted into law.

This act is ordered to take immediate effect.

Approved May 29, 2007.

Filed with Secretary of State May 29, 2007.

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**Compiler's note:** Senate Bill No. 400, referred to in enacting section 1, was filed with the Secretary of State May 29, 2007, and became 2007 PA 12, Imd. Eff. May 29, 2007.

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## **[No. 14]**

### **(HB 4721)**

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, assessments, and donations; to provide certain appropriations; to prescribe penalties and provide remedies; and to repeal acts and parts of acts,” by amending section 20129a (MCL 324.20129a), as amended by 2005 PA 42.

*The People of the State of Michigan enact:*

### **324.20129a Exemption from liability; petition.**

Sec. 20129a. (1) A person may petition the department within 6 months after completion of a baseline environmental assessment for a determination that that person meets the requirements for an exemption from liability under section 20126(1)(c) and, in conjunction

with that exemption, a determination that the proposed use of the facility satisfies the person's obligations under section 20107a. This request may be made by a prospective purchaser or transferee prior to actual transfer of ownership or other interest to that person or by a lender prior to foreclosure. The request shall be submitted on a form provided by the department along with the fee provided in subsection (4). The person petitioning the department under this subsection shall attach to the petition all of the following:

(a) The baseline environmental assessment.

(b) A detailed description of the proposed use of the facility.

(c) A plan for any response activities that are necessary to assure that the proposed use of the facility satisfies the requirements of section 20107a if a determination regarding compliance with that section is requested.

(d) The qualifications of the environmental professionals who have made the recommendations.

(2) Within 15 business days after receipt of a petition under subsection (1), the department shall issue a written determination to the person submitting the petition that does either of the following:

(a) Affirms that the criteria for obtaining the exemption have been met and affirms that the proposed use of the facility would satisfy the person's obligations under section 20107a if the person complies with the plan for the proposed use of the facility submitted under subsection (1).

(b) Provides that the criteria for obtaining the exemption have not been met or that the proposed use of the facility does not satisfy the person's obligation under section 20107a, the specific reasons for the denial, and how the applicant could meet the criteria and satisfy the person's obligations under section 20107a, if possible.

(3) A determination by the department under this section may be conditioned on completion of response activities described in the petition.

(4) Until September 30, 2013, a petition submitted under subsection (1) shall be accompanied by a fee of \$750.00. The department shall deposit all fees collected under this section into the fund. The department shall annually submit a report to the legislature that details all of the following:

(a) The number of petitions received pursuant to this section.

(b) The average length of time which the department has taken to issue written determinations pursuant to this section.

(c) The number of times in which written determinations were not issued within the required time period.

(d) The approximate amount of department staff time necessary to issue a written determination under this section.

(5) A person who is provided an affirmative determination under this section is not liable for a claim for response activity costs, fines or penalties, natural resources damages, or equitable relief under part 17, part 31, or common law resulting from the contamination identified in the petition or from contamination existing on the property on the date in which ownership or control of the property was transferred to the person. The liability protection afforded in this subsection does not extend to a violation of any permit issued under state law. This subsection does not alter a person's liability for a violation of section 20107a for a use or activity of property that is inconsistent with the determination.

This act is ordered to take immediate effect.

Approved May 29, 2007.

Filed with Secretary of State May 29, 2007.

**[No. 15]****(HB 4530)**

AN ACT to amend 1980 PA 300, entitled “An act to provide a retirement system for the public school employees of this state; to create certain funds for this retirement system; to provide for the creation of a retirement board within the department of management and budget; to prescribe the powers and duties of the retirement board; to prescribe the powers and duties of certain state departments, agencies, officials, and employees; to prescribe penalties and provide remedies; and to repeal acts and parts of acts,” by amending sections 4, 41, and 41a (MCL 38.1304, 38.1341, and 38.1341a), section 4 as amended by 2003 PA 17, section 41 as amended by 2002 PA 94, and section 41a as amended by 1996 PA 488.

*The People of the State of Michigan enact:*

**38.1304 Definitions; C to M.**

Sec. 4. (1) “Compound interest” means interest compounded annually on July 1 on the contributions on account as of the previous July 1 and computed at the rate of investment return determined under section 104a(1) for the last completed state fiscal year.

(2) “Contributory service” means credited service other than noncontributory service.

(3) “Deferred member” means a member who has ceased to be a public school employee and has satisfied the requirements of section 82 for a deferred vested service retirement allowance.

(4) “Department” means the department of management and budget.

(5) “Designated date” means September 30, 2006.

(6) “Direct rollover” means a payment by the retirement system to the eligible retirement plan specified by the distributee.

(7) “Distributee” includes a member or deferred member. Distributee also includes the member’s or deferred member’s surviving spouse or the member’s or deferred member’s spouse or former spouse under an eligible domestic relations order, with regard to the interest of the spouse or former spouse.

(8) Beginning January 1, 2002, except as otherwise provided in this subsection, “eligible retirement plan” means an individual retirement account described in section 408(a) of the internal revenue code, an individual retirement annuity described in section 408(b) of the internal revenue code, an annuity plan described in section 403(a) of the internal revenue code, or a qualified trust described in section 401(a) of the internal revenue code, an annuity contract described in section 403(b) of the internal revenue code, or an eligible plan under section 457(b) of the internal revenue code which is maintained by a state, political subdivision of a state, or an agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such eligible plan under section 457(b) of the internal revenue code from this retirement system, that accepts the distributee’s eligible rollover distribution. However, in the case of an eligible rollover distribution to a surviving spouse, an eligible retirement plan means an individual retirement account or an individual retirement annuity described above.

(9) Beginning January 1, 2002, “eligible rollover distribution” means a distribution of all or any portion of the balance to the credit of the distributee. Eligible rollover distribution does not include any of the following:

(a) A distribution made for the life or life expectancy of the distributee or the joint lives or joint life expectancies of the distributee and the distributee’s designated beneficiary.

(b) A distribution for a specified period of 10 years or more.

(c) A distribution to the extent that the distribution is required under section 401(a)(9) of the internal revenue code.

(d) The portion of any distribution that is not includable in federal gross income, determined without regard to the exclusion for net unrealized appreciation with respect to employer securities, except to the extent that the portion of a distribution that is not includable in federal gross income is paid to either of the following:

(i) An individual retirement account or annuity described in section 408(a) or (b) of the internal revenue code.

(ii) A qualified defined contribution plan as described in section 401(a) or 403(a) of the internal revenue code that agrees to separately account for amounts transferred, including separately accounting for the portion of the distribution that is includable in gross income and the portion of the distribution which is not includable in gross income.

(10) “Employee organization professional services leave” or “professional services leave” means a leave of absence that is renewed annually by the reporting unit so that a member may accept a position with a public school employee organization to which he or she belongs and which represents employees of a reporting unit in employment matters. The member shall be included in membership of the retirement system during a professional services leave if all of the conditions of section 71(5) and (6) are satisfied.

(11) “Employee organization professional services released time” or “professional services released time” means a portion of the school fiscal year during which a member is released by the reporting unit from his or her regularly assigned duties to engage in employment matters for a public school employee organization to which he or she belongs. The member’s compensation received or service rendered, or both, as applicable, by a member while on professional services released time shall be reportable to the retirement system if all of the conditions of section 71(5) and (6) are satisfied.

(12) “Final average compensation” means the aggregate amount of a member’s compensation earned within the averaging period in which the aggregate amount of compensation was highest divided by the member’s number of years, including any fraction of a year, of credited service during the averaging period. The averaging period shall be 36 consecutive calendar months if the member contributes to the member investment plan; otherwise, the averaging period shall be 60 consecutive calendar months. If the member has less than 1 year of credited service in the averaging period, the number of consecutive calendar months in the averaging period shall be increased to the lowest number of consecutive calendar months that contains 1 year of credited service.

(13) “Health benefits” means hospital, medical-surgical, and sick care benefits and dental, vision, and hearing benefits for retirants, retirement allowance beneficiaries, and health insurance dependents provided pursuant to section 91.

(14) “Internal revenue code” means the United States internal revenue code of 1986.

(15) “Long-term care insurance” means group insurance that is authorized by the retirement system for retirants, retirement allowance beneficiaries, and health insurance dependents, as that term is defined in section 91, to cover the costs of services provided to retirants, retirement allowance beneficiaries, and health insurance dependents, from nursing homes, assisted living facilities, home health care providers, adult day care providers, and other similar service providers.

(16) “Member investment plan” means the program of member contributions described in section 43a.

**38.1341 Determining annual level percentage of payroll contribution rate; computation; certification of estimated aggregate compensations; computation and certification of sum due and payable; payment; certification of actual aggregate compensations; adjustment; evidence of correctness; audit; duties of reporting unit; submission of difference occurring in certain fiscal years; interest; rate; reassignment of assets; rate of investment return; basis of asset valuation; use of salary increase assumption; deposit to health advance funding subaccount; allocations from employer contributions.**

Sec. 41. (1) The annual level percentage of payroll contribution rate to finance benefits being provided and to be provided by the retirement system shall be determined by actuarial valuation pursuant to subsection (2) upon the basis of the risk assumptions that the retirement board and the department adopt after consultation with the state treasurer and an actuary. An annual actuarial valuation shall be made of the retirement system in order to determine the actuarial condition of the retirement system and the required contribution to the retirement system. An annual actuarial gain-loss experience study of the retirement system shall be made in order to determine the financial effect of variations of actual retirement system experience from projected experience.

(2) The contribution rate for benefits payable in the event of the death of a member before retirement or the disability of a member shall be computed using a terminal funding method of valuation. Except as otherwise provided in this subsection, the contribution rate for other benefits shall be computed using an individual projected benefit entry age normal cost method of valuation. Except as otherwise provided in this section, for the 1995-96 state fiscal year and for each subsequent fiscal year, the contribution rate for health benefits provided under section 91 shall be computed using a cash disbursement method. For each fiscal year after the fiscal year in which the actuarial accrued liability for health benefits under section 91 is at least 100% funded by the health advance funding subaccount created under section 34(2), the contribution rate for health benefits provided under section 91 shall be computed using an individual projected benefit entry age normal cost method of valuation. The contribution rate for service likely to be rendered in the current year, the normal cost contribution rate, shall be equal to the aggregate amount of individual projected benefit entry age normal costs divided by 1% of the aggregate amount of active members' valuation compensation. Except as otherwise provided under this subsection, the contribution rate for unfunded service rendered before the valuation date, the unfunded actuarial accrued liability contribution rate, shall be the aggregate amount of unfunded actuarial accrued liabilities divided by 1% of the actuarial present value over a period not to exceed 50 years of projected valuation compensation, where unfunded actuarial accrued liabilities are equal to the actuarial present value of benefits, reduced by the actuarial present value of future normal cost contributions and the actuarial value of assets on the valuation date. For the 2006-2007 state fiscal year, the contribution rate for unfunded service rendered before the valuation date shall be equal to 4.5% of the aggregate amount of unfunded actuarial accrued liabilities divided by 1% of the actuarial valuation annual compensation.

(3) Before November 1 of each year, the executive secretary of the retirement board shall certify to the director of the department the aggregate compensation estimated to be paid public school employees for the current state fiscal year.

(4) On the basis of the estimate under subsection (3), the annual actuarial valuation, and any adjustment required under subsection (6), the director of the department shall compute the sum due and payable to the retirement system and shall certify this amount to the reporting units.

(5) The reporting units shall make payment of the amount certified under subsection (4) to the director of the department in 12 equal monthly installments.

(6) Not later than 90 days after termination of each state fiscal year, the executive secretary of the retirement board shall certify to the director of the department and each reporting unit the actual aggregate compensation paid to public school employees during the preceding state fiscal year. Upon receipt of that certification, the director of the department shall compute any adjustment required to the amount due to a difference between the estimated and the actual aggregate compensation and the estimated and the actual actuarial employer contribution rate. The difference, if any, shall be paid as provided in subsection (9). This subsection does not apply in a fiscal year in which a deposit occurs pursuant to subsection (14).

(7) The director of the department may require evidence of correctness and may conduct an audit of the aggregate compensation that the director of the department considers necessary to establish its correctness.

(8) A reporting unit shall forward employee and employer social security contributions and reports as required by the federal old-age, survivors, disability, and hospital insurance provisions of title II of the social security act, chapter 531, 49 Stat. 620, 42 USC 401 to 405, 406 to 418, 420 to 423, 424a to 426-1, and 427 to 433.

(9) For an employer of an employee of a local public school district or an intermediate school district, for differences occurring in fiscal years beginning on or after October 1, 1993, a minimum of 20% of the difference between the estimated and the actual aggregate compensation and the estimated and the actual actuarial employer contribution rate described in subsection (6), if any, shall be paid by that employer in the next succeeding state fiscal year and a minimum of 25% of the remaining difference shall be paid by that employer in each of the following 4 state fiscal years, or until 100% of the remaining difference is submitted, whichever first occurs. For an employer of other public school employees, for differences occurring in fiscal years beginning on or after October 1, 1991, a minimum of 20% of the difference between the estimated and the actual aggregate compensation and the estimated and the actual actuarial employer contribution rate described in subsection (6), if any, shall be paid by that employer in the next succeeding state fiscal year and a minimum of 25% of the remaining difference shall be paid by that employer in each of the following 4 state fiscal years, or until 100% of the remaining difference is submitted, whichever first occurs. In addition, interest shall be included for each year that a portion of the remaining difference is carried forward. The interest rate shall equal the actuarially assumed rate of investment return for the state fiscal year in which payment is made. This subsection does not apply in a fiscal year in which a deposit occurs pursuant to subsection (14).

(10) Beginning on the designated date, all assets held by the retirement system shall be reassigned their fair market value, as determined by the state treasurer, as of the designated date, and in calculating any unfunded actuarial accrued liabilities, any market gains or losses incurred before the designated date shall not be considered by the retirement system's actuaries.

(11) Beginning on the designated date, the actuary used by the retirement board shall assume a rate of return on investments of 8.00% per annum, as of the designated date, which rate may only be changed with the approval of the retirement board and the director of the department.

(12) Beginning on the designated date, the value of assets used shall be based on a method that spreads over a 5-year period the difference between actual and expected return occurring in each year after the designated date and such methodology may only be changed with the approval of the retirement board and the director of the department.

(13) Beginning on the designated date, the actuary used by the retirement board shall use a salary increase assumption that projects annual salary increases of 4%. In addition to the 4%, the retirement board shall use an additional percentage based upon an age-related scale to reflect merit, longevity, and promotional salary increase. The actuary shall use this assumption until a change in the assumption is approved in writing by the retirement board and the director of the department.

(14) For fiscal years that begin on or after October 1, 2001, if the actuarial valuation prepared pursuant to this section demonstrates that as of the beginning of a fiscal year, and after all credits and transfers required by this act for the previous fiscal year have been made, the sum of the actuarial value of assets and the actuarial present value of future normal cost contributions exceeds the actuarial present value of benefits, the amount based on the annual level percent of payroll contribution rate pursuant to subsections (1) and (2) may be deposited into the health advance funding subaccount created by section 34.

(15) Notwithstanding any other provision of this act, if the retirement board establishes an arrangement and fund as described in section 6 of the public employee retirement benefit protection act, the benefits that are required to be paid from that fund shall be paid from a portion of the employer contributions described in this section or other eligible funds. The retirement board shall determine the amount of the employer contributions or other eligible funds that shall be allocated to that fund and deposit that amount in that fund before it deposits any remaining employer contributions or other eligible funds in the pension fund.

### **38.1341a Separate contribution rate; unfunded accrued liability.**

Sec. 41a. For fiscal years that begin on or after March 28, 1996, the retirement system shall determine a separate contribution rate for a reporting unit that is a university listed in section 6(5). The retirement system shall determine the separate contribution rate in the manner prescribed in section 41, except that the unfunded actuarial accrued liability shall be amortized over 40 years beginning October 1, 1996 and ending on September 30, 2036, with the payment schedule for universities being based on and applied to the combined payrolls of the universities' employees who are members and who were hired before January 1, 1996 and the universities' employees who would have been members on or after January 1, 1996, but for the enactment of 1995 PA 272. The amount of the unfunded accrued liability on which the separate contribution rate is determined shall be that amount which a reporting unit that is a university listed in section 6(5) is legally responsible for and is calculated by actuarial analysis. Any reduction in the unfunded liability of the system pursuant to governmental action affecting the entire system will be allocated to all reporting units including universities as determined by the system's actuary. For the 2006-2007 state fiscal year, the contribution for unfunded actuarial accrued liability shall be equal to 4.5% of the unfunded actuarial accrued liability.

This act is ordered to take immediate effect.

Approved June 6, 2007.

Filed with Secretary of State June 6, 2007.

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**[No. 16]**

**(HB 4512)**

AN ACT to amend 1943 PA 240, entitled "An act to provide for a state employees' retirement system; to create a state employees' retirement board and prescribe its powers and duties; to establish certain funds in connection with the retirement system; to require contributions



to the retirement system by and on behalf of members and participants of the retirement system; to create certain accounts and provide for expenditures from those accounts; to prescribe the powers and duties of certain state and local officers and employees and certain state departments and agencies; to prescribe and make appropriations for the retirement system; and to prescribe penalties and provide remedies,” by amending section 38 (MCL 38.38), as amended by 2002 PA 93.

*The People of the State of Michigan enact:*

**38.38 Annual level percent of payroll contribution rate; determination; basis; report; computation; amortization of unfunded actuarial accrued liability; annual appropriation to retirement system; transfer of funds; certification; difference between actual state contributions and product of computation rates times aggregate compensations paid; submitting difference between estimated and actual aggregate compensation and estimated and actual contribution rate to legislature for appropriation; interest; deposit to health advance funding subaccount.**

Sec. 38. (1) The annual level percent of payroll contribution rate to finance the benefits provided under this act shall be determined by actuarial valuation pursuant to subsections (2) and (3), upon the basis of the risk assumptions adopted by the retirement board with approval of the department of management and budget, and in consultation with the investment counsel and the actuary. An annual actuarial valuation shall be made of the retirement system in order to determine the actuarial condition of the retirement system and the required contribution to the retirement system. The actuary shall report to the legislature by April 15 of each year on the actuarial condition of the retirement system as of the end of the previous fiscal year and on the projections of state contributions for the next fiscal year. The actuary shall certify in the report that the techniques and methodologies used are generally accepted within the actuarial profession and that the assumptions and cost estimates used fall within the range of reasonable and prudent assumptions and cost estimates. An annual actuarial gain-loss experience study of the retirement system shall be made in order to determine the financial effect of variations of actual retirement system experience from projected experience.

(2) The contribution rate for monthly benefits payable in the event of the death of a member before retirement or the disability of a member shall be computed using a terminal funding method of actuarial valuation.

(3) Except as otherwise provided in this subsection, the contribution rate for benefits other than those provided for in subsection (2) shall be computed using an individual projected benefit entry age normal cost method of valuation. For the 1995-96 state fiscal year and for each subsequent fiscal year in which the actuarial accrued liability for health benefits is less than 100% funded, the contribution rate for benefits provided under section 20d shall be computed using a cash disbursement method. Beginning in the fiscal year after the fiscal year in which the actuarial accrued liability for health benefits under section 20d is at least 100% funded by the health advance funding subaccount created under section 11(9), and continuing for each subsequent fiscal year, the contribution rate for health benefits provided under section 20d shall be computed using an individual projected benefit entry age normal cost method of valuation. The contribution rate for service that may be rendered in the current year, the normal cost contribution rate, shall be equal to the aggregate amount of individual entry age normal costs divided by 1% of the aggregate amount of active members' valuation compensation. The unfunded actuarial accrued liability shall be equal to the actuarial present value of benefits reduced by the actuarial present value of future normal cost contributions and the actuarial value of assets on the valuation date. Except as otherwise provided

in this subsection, the unfunded actuarial accrued liability shall be amortized in accordance with generally accepted governmental accounting standards over a period equal to or less than 40 years. For the fiscal year that begins on October 1, 2006 only, the contribution for the unfunded actuarial accrued liability shall be equal to 4.5% of the unfunded actuarial accrued liability.

(4) The legislature annually shall appropriate to the retirement system the amount determined pursuant to subsections (2) and (3). The state treasurer shall transfer monthly to the retirement system an amount equal to the product of the contribution rates determined in subsections (2) and (3) times the aggregate amount of active member compensation paid during that month. Not later than 60 days after the termination of each state fiscal year, the executive secretary of the retirement board shall certify to the director of the department of management and budget the actual aggregate compensations paid to active members during the preceding state fiscal year. Upon receipt of that certification, the director of the department of management and budget shall compute the difference, if any, between actual state contributions received during the preceding state fiscal year and the product of the contribution rates determined in subsections (2) and (3) times the aggregate compensations paid to active members during the preceding state fiscal year. Except as otherwise provided in subsection (5), the difference, if any, shall be submitted in the executive budget to the legislature for appropriation in the next succeeding state fiscal year. This subsection does not apply for those fiscal years in which a deposit occurs pursuant to subsection (6).

(5) For differences occurring in fiscal years beginning on or after October 1, 1991, a minimum of 20% of the difference between the estimated and the actual aggregate compensation and the estimated and the actual contribution rate described in subsection (4), if any, may be submitted in the executive budget to the legislature for appropriation in the next succeeding state fiscal year and a minimum of 25% of the remaining difference shall be submitted in the executive budget to the legislature for appropriation in each of the following 4 state fiscal years, or until 100% of the remaining difference is submitted, whichever first occurs. In addition, interest shall be included for each year that a portion of the remaining difference is carried forward. The interest rate shall equal the actuarially assumed rate of investment return for the state fiscal year in which payment is made. This subsection does not apply for those fiscal years in which a deposit occurs pursuant to subsection (6).

(6) For each fiscal year that begins on or after October 1, 2001, if the actuarial valuation prepared pursuant to this section for each fiscal year demonstrates that as of the beginning of a fiscal year, and after all credits and transfers required by this act for the previous fiscal year have been made, the sum of the actuarial value of assets and the actuarial present value of future normal cost contributions exceeds the actuarial present value of benefits, the annual level percent of payroll contribution rate as determined pursuant to subsections (1), (2), and (3) may be deposited into the health advance funding subaccount created under section 11(9).

(7) Notwithstanding any other provision of this act, if the retirement board establishes an arrangement and fund as described in section 6 of the public employee retirement benefit protection act, the benefits that are required to be paid from that fund shall be paid from a portion of the employer contributions described in this section or other eligible funds. The retirement board shall determine the amount of the employer contributions or other eligible funds that shall be allocated to that fund and deposit that amount in that fund before it deposits any remaining employer contributions or other eligible funds in the pension fund.

This act is ordered to take immediate effect.  
Approved June 6, 2007.  
Filed with Secretary of State June 6, 2007.

**[No. 17]****(SB 436)**

AN ACT to make, supplement, and adjust appropriations for various state departments and agencies, the legislative branch, and the judicial branch for the fiscal year ending September 30, 2007; to provide for the expenditure of the appropriations; and to repeal acts and parts of acts.

*The People of the State of Michigan enact:*

## PART 1

## LINE-ITEM APPROPRIATIONS

**Appropriations; various state departments and agencies, legislative branch, and judicial branch; supplemental.**

Sec. 101. There is appropriated for the various state departments and agencies, the legislative branch, and the judicial branch to supplement appropriations for the fiscal year ending September 30, 2007, from the following funds:

**APPROPRIATION SUMMARY:**

GROSS APPROPRIATION .....	\$	(80,073,200)
Total interdepartmental grants and intradepartmental transfers.....		1,361,700
ADJUSTED GROSS APPROPRIATION .....	\$	(81,434,900)
Total federal revenues .....		(49,183,100)
Total local revenues.....		0
Total private revenues.....		0
Total other state restricted revenues .....		(101,717,000)
State general fund/general purpose .....	\$	69,465,200

**Department of agriculture.****Sec. 102. DEPARTMENT OF AGRICULTURE****(1) APPROPRIATION SUMMARY**

GROSS APPROPRIATION .....	\$	(286,200)
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers.....		0
ADJUSTED GROSS APPROPRIATION .....	\$	(286,200)
Federal revenues:		
Total federal revenues .....		0
Special revenue funds:		
Total local revenues.....		0
Total private revenues.....		0
Total other state restricted revenues .....		0
State general fund/general purpose .....	\$	(286,200)

**(2) PESTICIDE AND PLANT PEST MANAGEMENT**

Pesticide and plant pest management .....	\$	(266,000)
GROSS APPROPRIATION .....	\$	(266,000)
Appropriated from:		
State general fund/general purpose .....	\$	(266,000)

**(3) INFORMATION TECHNOLOGY**

Information technology services and projects.....	\$	(20,200)
GROSS APPROPRIATION .....	\$	(20,200)

For Fiscal Year  
Ending Sept. 30,  
2007

Appropriated from:  
State general fund/general purpose ..... \$ (20,200)

**Department of attorney general.**

**Sec. 103. DEPARTMENT OF ATTORNEY GENERAL**

**(1) APPROPRIATION SUMMARY**

GROSS APPROPRIATION ..... \$ (308,900)  
 Interdepartmental grant revenues:  
 Total interdepartmental grants and intradepartmental transfers..... 0  
 ADJUSTED GROSS APPROPRIATION ..... \$ (308,900)  
 Federal revenues:  
 Total federal revenues ..... 0  
 Special revenue funds:  
 Total local revenues..... 0  
 Total private revenues..... 0  
 Total other state restricted revenues ..... 0  
 State general fund/general purpose ..... \$ (308,900)

**(2) ATTORNEY GENERAL OPERATIONS**

Attorney general operations..... \$ (301,800)  
 GROSS APPROPRIATION ..... \$ (301,800)  
 Appropriated from:  
 State general fund/general purpose ..... \$ (301,800)

**(3) INFORMATION TECHNOLOGY**

Information technology services and projects..... \$ (7,100)  
 GROSS APPROPRIATION ..... \$ (7,100)  
 Appropriated from:  
 State general fund/general purpose ..... \$ (7,100)

**Department of civil rights.**

**Sec. 104. DEPARTMENT OF CIVIL RIGHTS**

**(1) APPROPRIATION SUMMARY**

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

**(2) CIVIL RIGHTS OPERATIONS**

Civil rights operations ..... \$ (50,000)  
 GROSS APPROPRIATION ..... \$ (50,000)  
 Appropriated from:  
 State general fund/general purpose ..... \$ (50,000)

For Fiscal Year  
Ending Sept. 30,  
2007

**Department of civil service.**

**Sec. 105. DEPARTMENT OF CIVIL SERVICE**

**(1) APPROPRIATION SUMMARY**

GROSS APPROPRIATION .....	\$	(168,700)
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers.....		0
ADJUSTED GROSS APPROPRIATION .....	\$	(168,700)
Federal revenues:		
Total federal revenues .....		0
Special revenue funds:		
Total local revenues.....		0
Total private revenues.....		0
Total local and private revenues .....		0
Total other state restricted revenues .....		0
State general fund/general purpose .....	\$	(168,700)

**(2) CIVIL SERVICE OPERATIONS**

Executive direction .....	\$	(168,700)
GROSS APPROPRIATION .....	\$	(168,700)
Appropriated from:		
State general fund/general purpose .....	\$	(168,700)

**Community colleges.**

**Sec. 106. COMMUNITY COLLEGES**

**(1) APPROPRIATION SUMMARY**

GROSS APPROPRIATION .....	\$	(12,879,900)
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers.....		0
ADJUSTED GROSS APPROPRIATION .....	\$	(12,879,900)
Federal revenues:		
Total federal revenues .....		0
Special revenue funds:		
Total local revenues.....		0
Total private revenues.....		0
Total local and private revenues .....		0
Total other state restricted revenues .....		0
State general fund/general purpose .....	\$	(12,879,900)

**(2) OPERATIONS - PAYMENT DELAY**

Alpena Community College .....	\$	(222,900)
Bay de Noc Community College.....		(225,000)
Delta College .....		(605,000)
Glen Oaks Community College .....		(101,600)
Gogebic Community College.....		(183,800)
Grand Rapids Community College.....		(759,400)
Henry Ford Community College.....		(924,100)
Jackson Community College.....		(510,700)
Kalamazoo Valley Community College.....		(523,600)
Kellogg Community College.....		(410,800)
Kirtland Community College.....		(125,000)

	For Fiscal Year Ending Sept. 30, 2007
Lake Michigan College .....	\$ (221,500)
Lansing Community College .....	(1,313,200)
Macomb Community College.....	(1,402,200)
Mid Michigan Community College .....	(186,800)
Monroe County Community College.....	(182,300)
Montcalm Community College .....	(131,400)
C.S. Mott Community College.....	(663,100)
Muskegon Community College.....	(376,900)
North Central Michigan College.....	(127,700)
Northwestern Michigan College .....	(384,400)
Oakland Community College .....	(885,700)
St. Clair County Community College .....	(297,000)
Schoolcraft College .....	(517,900)
Southwestern Michigan College.....	(278,200)
Washtenaw Community College .....	(531,300)
Wayne County Community College .....	(691,300)
West Shore Community College .....	(97,100)
GROSS APPROPRIATION .....	\$ (12,879,900)
Appropriated from:	
State general fund/general purpose .....	\$ (12,879,900)

**Department of community health.**

**Sec. 107. DEPARTMENT OF COMMUNITY HEALTH**

**(1) APPROPRIATION SUMMARY**

GROSS APPROPRIATION .....	\$ (61,176,000)
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers.....	0
ADJUSTED GROSS APPROPRIATION .....	\$ (61,176,000)
Federal revenues:	
Total federal revenues .....	(59,473,900)
Special revenue funds:	
Total local revenues.....	0
Total private revenues.....	0
Merit award trust fund.....	(69,600,000)
Total other state restricted revenues .....	(27,838,000)
State general fund/general purpose .....	\$ 95,735,900

**(2) COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE**

**SERVICES PROGRAMS**

Medicaid mental health services .....	\$ 1,881,900
Medicaid substance abuse services.....	(1,103,100)
GROSS APPROPRIATION .....	\$ 778,800
Appropriated from:	
Federal revenues:	
Total federal revenues .....	439,100
Special revenue funds:	
Total other state restricted revenues .....	(4,411,300)
State general fund/general purpose .....	\$ 4,751,000

For Fiscal Year  
Ending Sept. 30,  
2007

**(3) INFECTIOUS DISEASE CONTROL**

Immunization program management and field support ..... \$ (85,100)  
GROSS APPROPRIATION ..... \$ (85,100)

Appropriated from:

Special revenue funds:

Total other state restricted revenues ..... (85,100)  
State general fund/general purpose ..... \$ 0

**(4) EPIDEMIOLOGY**

Newborn screening follow-up and treatment services ..... \$ (62,500)  
Pandemic influenza drugs ..... 15,670,000  
GROSS APPROPRIATION ..... \$ 15,607,500

Appropriated from:

Special revenue funds:

Total other state restricted revenues ..... (62,500)  
State general fund/general purpose ..... \$ 15,670,000

**(5) LOCAL HEALTH ADMINISTRATION AND GRANTS**

Implementation of 1993 PA 133, MCL 333.17015 ..... \$ (23,500)  
GROSS APPROPRIATION ..... \$ (23,500)

Appropriated from:

Special revenue funds:

Total other state restricted revenues ..... (23,500)  
State general fund/general purpose ..... \$ 0

**(6) CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION**

Alzheimer's information network..... \$ (72,500)  
Cancer prevention and control program ..... (396,700)  
Chronic disease prevention..... (453,000)  
Diabetes and kidney program ..... (400,000)  
Michigan Parkinson's foundation ..... (12,500)  
Morris Hood Wayne State University diabetes outreach ..... (100,000)  
Smoking prevention program..... (409,000)  
GROSS APPROPRIATION ..... \$ (1,843,700)

Appropriated from:

Special revenue funds:

Total other state restricted revenues ..... (1,843,700)  
State general fund/general purpose ..... \$ 0

**(7) FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES**

Childhood lead program ..... \$ (250,000)  
Dental programs ..... (37,500)  
Family planning local agreements ..... (158,700)  
Local MCH services ..... (61,500)  
Pregnancy prevention program ..... (500,000)  
Special projects ..... (100,000)  
GROSS APPROPRIATION ..... \$ (1,107,700)

Appropriated from:

Special revenue funds:

Total other state restricted revenues ..... (1,107,700)  
State general fund/general purpose ..... \$ 0

For Fiscal Year  
Ending Sept. 30,  
2007

**(8) CRIME VICTIM SERVICES COMMISSION**

Crime victim's rights fund revenue to the department of human services .....	\$ 1,300,000
GROSS APPROPRIATION .....	\$ 1,300,000

Appropriated from:

Special revenue funds:

Total other state restricted revenues .....	1,300,000
State general fund/general purpose .....	\$ 0

**(9) OFFICE OF SERVICES TO THE AGING**

Nutrition services .....	\$ (41,700)
GROSS APPROPRIATION .....	\$ (41,700)

Appropriated from:

Special revenue funds:

Total other state restricted revenues .....	(41,700)
State general fund/general purpose .....	\$ 0

**(10) MEDICAL SERVICES**

Hospital services and therapy .....	\$ (4,929,100)
Long-term care services .....	(53,269,200)
Health plan services .....	(18,212,300)
MIChild program .....	650,000
Subtotal basic medical services program .....	(75,760,600)
GROSS APPROPRIATION .....	\$ (75,760,600)

Appropriated from:

Federal revenues:

Total federal revenues .....	(59,913,000)
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Special revenue funds:

Merit award trust fund .....	(69,600,000)
Total other state restricted revenues .....	(21,562,500)
State general fund/general purpose .....	\$ 75,314,900

**Department of corrections.**

**Sec. 108. DEPARTMENT OF CORRECTIONS**

**(1) APPROPRIATION SUMMARY**

GROSS APPROPRIATION .....	\$ 25,883,300
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers .....	0
ADJUSTED GROSS APPROPRIATION .....	\$ 25,883,300

Federal revenues:

Total federal revenues .....	0
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Special revenue funds:

Total local revenues .....	0
Total private revenues .....	0
Total other state restricted revenues .....	0
State general fund/general purpose .....	\$ 25,883,300

**(2) ADMINISTRATION AND PROGRAMS**

Compensatory buyout and union leave bank .....	\$ (275,000)
GROSS APPROPRIATION .....	\$ (275,000)

Appropriated from:

State general fund/general purpose .....	\$ (275,000)
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For Fiscal Year  
Ending Sept. 30,  
2007

**(3) FIELD OPERATIONS ADMINISTRATION**

Parole and probation special operations program .....	\$	(441,700)
GROSS APPROPRIATION .....	\$	(441,700)

Appropriated from:

State general fund/general purpose .....	\$	(441,700)
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**(4) HEALTH CARE**

Northern region clinical complexes .....	\$	690,000
Southeastern region clinical complexes .....		1,440,000
Southwestern region clinical complexes .....		870,000
GROSS APPROPRIATION .....	\$	3,000,000

Appropriated from:

State general fund/general purpose .....	\$	3,000,000
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**(5) CORRECTIONAL FACILITIES ADMINISTRATION**

Inmate housing fund .....	\$	23,600,000
GROSS APPROPRIATION .....	\$	23,600,000

Appropriated from:

State general fund/general purpose .....	\$	23,600,000
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**Department of education.**

**Sec. 109. DEPARTMENT OF EDUCATION**

**(1) APPROPRIATION SUMMARY**

GROSS APPROPRIATION .....	\$	(90,400)
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Interdepartmental grant revenues:

Total interdepartmental grants and intradepartmental transfers.....		0
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ADJUSTED GROSS APPROPRIATION .....	\$	(90,400)
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Federal revenues:

Total federal revenues .....		0
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Special revenue funds:

Total local revenues .....		0
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Total private revenues .....		0
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Total local and private revenues .....		0
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Total other state restricted revenues .....		0
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State general fund/general purpose .....	\$	(90,400)
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**(2) CENTRAL SUPPORT**

Central support .....	\$	(65,000)
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GROSS APPROPRIATION .....	\$	(65,000)
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Appropriated from:

State general fund/general purpose .....	\$	(65,000)
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**(3) EARLY CHILDHOOD EDUCATION AND FAMILY SERVICES**

Early childhood education and family services operations .....	\$	(25,400)
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GROSS APPROPRIATION .....	\$	(25,400)
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Appropriated from:

State general fund/general purpose .....	\$	(25,400)
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**Department of environmental quality.**

**Sec. 110. DEPARTMENT OF ENVIRONMENTAL QUALITY**

**(1) APPROPRIATION SUMMARY**

GROSS APPROPRIATION .....	\$	(311,000)
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For Fiscal Year  
Ending Sept. 30,  
2007

Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers.....	\$ 0
ADJUSTED GROSS APPROPRIATION .....	\$ (311,000)
Federal revenues:	
Total federal revenues .....	0
Special revenue funds:	
Total local revenues.....	0
Total private revenues.....	0
Total local and private revenues .....	0
Total other state restricted revenues .....	0
State general fund/general purpose .....	\$ (311,000)
<b>(2) REMEDIATION AND REDEVELOPMENT</b>	
Contaminated site investigation, cleanup, and revitalization.....	\$ (311,000)
GROSS APPROPRIATION .....	\$ (311,000)
Appropriated from:	
State general fund/general purpose .....	\$ (311,000)

**Executive office.**

**Sec. 111. EXECUTIVE OFFICE**

**(1) APPROPRIATION SUMMARY**

GROSS APPROPRIATION .....	\$ (194,000)
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers.....	0
ADJUSTED GROSS APPROPRIATION .....	\$ (194,000)
Federal revenues:	
Total federal revenues .....	0
Special revenue funds:	
Total local revenues.....	0
Total private revenues.....	0
Total local and private revenues .....	0
Total other state restricted revenues .....	0
State general fund/general purpose .....	\$ (194,000)
<b>(2) EXECUTIVE OFFICE OPERATIONS</b>	
Executive office.....	\$ (194,000)
GROSS APPROPRIATION .....	\$ (194,000)
Appropriated from:	
State general fund/general purpose .....	\$ (194,000)

**Higher education.**

**Sec. 112. HIGHER EDUCATION**

**(1) APPROPRIATION SUMMARY**

GROSS APPROPRIATION .....	\$ (97,350,000)
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers.....	0
ADJUSTED GROSS APPROPRIATION .....	\$ (97,350,000)
Federal revenues:	
Total federal revenues .....	0
Special revenue funds:	
Total local revenues.....	0

	For Fiscal Year Ending Sept. 30, 2007
Total private revenues.....	\$ 0
Total local and private revenues.....	0
Total other state restricted revenues.....	0
State general fund/general purpose.....	\$ (97,350,000)
<b>(2) CENTRAL MICHIGAN UNIVERSITY</b>	
Operations - operations reduction.....	\$ (1,389,100)
Operations - payment delay.....	(3,744,700)
GROSS APPROPRIATION.....	\$ (5,133,800)
Appropriated from:	
State general fund/general purpose.....	\$ (5,133,800)
<b>(3) EASTERN MICHIGAN UNIVERSITY</b>	
Operations - operations reduction.....	\$ (1,213,300)
Operations - payment delay.....	(3,553,100)
GROSS APPROPRIATION.....	\$ (4,766,400)
Appropriated from:	
State general fund/general purpose.....	\$ (4,766,400)
<b>(4) FERRIS STATE UNIVERSITY</b>	
Operations - operations reduction.....	\$ (843,800)
Operations - payment delay.....	(2,274,800)
GROSS APPROPRIATION.....	\$ (3,118,600)
Appropriated from:	
State general fund/general purpose.....	\$ (3,118,600)
<b>(5) GRAND VALLEY STATE UNIVERSITY</b>	
Operations - operations reduction.....	\$ (2,194,300)
Operations - payment delay.....	(2,945,400)
GROSS APPROPRIATION.....	\$ (5,139,700)
Appropriated from:	
State general fund/general purpose.....	\$ (5,139,700)
<b>(6) LAKE SUPERIOR STATE UNIVERSITY</b>	
Operations - operations reduction.....	\$ (252,500)
Operations - payment delay.....	(587,700)
GROSS APPROPRIATION.....	\$ (840,200)
Appropriated from:	
State general fund/general purpose.....	\$ (840,200)
<b>(7) MICHIGAN STATE UNIVERSITY</b>	
Operations - operations reduction.....	\$ (5,058,500)
Operations - payment delay.....	(13,281,200)
Agricultural experiment station - payment delay.....	(1,537,600)
Cooperative extension service - payment delay.....	(1,326,200)
GROSS APPROPRIATION.....	\$ (21,203,500)
Appropriated from:	
State general fund/general purpose.....	\$ (21,203,500)
<b>(8) MICHIGAN TECHNOLOGICAL UNIVERSITY</b>	
Operations - operations reduction.....	\$ (718,200)
Operations - payment delay.....	(2,237,200)
GROSS APPROPRIATION.....	\$ (2,955,400)
Appropriated from:	
State general fund/general purpose.....	\$ (2,955,400)

For Fiscal Year  
Ending Sept. 30,  
2007

<b>(9) NORTHERN MICHIGAN UNIVERSITY</b>	
Operations - operations reduction .....	\$ (806,300)
Operations - payment delay .....	(2,109,100)
GROSS APPROPRIATION .....	\$ (2,915,400)
Appropriated from:	
State general fund/general purpose .....	\$ (2,915,400)
<b>(10) OAKLAND UNIVERSITY</b>	
Operations - operations reduction .....	\$ (1,031,000)
Operations - payment delay .....	(2,382,200)
GROSS APPROPRIATION .....	\$ (3,413,200)
Appropriated from:	
State general fund/general purpose .....	\$ (3,413,200)
<b>(11) SAGINAW VALLEY STATE UNIVERSITY</b>	
Operations - operations reduction .....	\$ (822,400)
Operations - payment delay .....	(1,312,400)
GROSS APPROPRIATION .....	\$ (2,134,800)
Appropriated from:	
State general fund/general purpose .....	\$ (2,134,800)
<b>(12) UNIVERSITY OF MICHIGAN - ANN ARBOR</b>	
Operations - operations reduction .....	\$ (5,640,300)
Operations - payment delay .....	(14,808,900)
GROSS APPROPRIATION .....	\$ (20,449,200)
Appropriated from:	
State general fund/general purpose .....	\$ (20,449,200)
<b>(13) UNIVERSITY OF MICHIGAN - DEARBORN</b>	
Operations - operations reduction .....	\$ (429,200)
Operations - payment delay .....	(1,157,100)
GROSS APPROPRIATION .....	\$ (1,586,300)
Appropriated from:	
State general fund/general purpose .....	\$ (1,586,300)
<b>(14) UNIVERSITY OF MICHIGAN - FLINT</b>	
Operations - operations reduction .....	\$ (369,200)
Operations - payment delay .....	(978,200)
GROSS APPROPRIATION .....	\$ (1,347,400)
Appropriated from:	
State general fund/general purpose .....	\$ (1,347,400)
<b>(15) WAYNE STATE UNIVERSITY</b>	
Operations - operations reduction .....	\$ (3,210,700)
Operations - payment delay .....	(10,001,500)
GROSS APPROPRIATION .....	\$ (13,212,200)
Appropriated from:	
State general fund/general purpose .....	\$ (13,212,200)
<b>(16) WESTERN MICHIGAN UNIVERSITY</b>	
Operations - operations reduction .....	\$ (1,903,200)
Operations - payment delay .....	(5,130,700)
GROSS APPROPRIATION .....	\$ (7,033,900)
Appropriated from:	
State general fund/general purpose .....	\$ (7,033,900)

For Fiscal Year  
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2007

**(17) GRANTS AND FINANCIAL AID**

Tuition grants .....	\$	(2,100,000)
GROSS APPROPRIATION .....	\$	(2,100,000)
Appropriated from:		
State general fund/general purpose .....	\$	(2,100,000)

**Department of history, arts, and libraries.**

**Sec. 113. DEPARTMENT OF HISTORY, ARTS, AND LIBRARIES**

**(1) APPROPRIATION SUMMARY**

GROSS APPROPRIATION .....	\$	(3,600,000)
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers.....		0
ADJUSTED GROSS APPROPRIATION .....	\$	(3,600,000)
Federal revenues:		
Total federal revenues .....		0
Special revenue funds:		
Total private revenues.....		0
Total other state restricted revenues .....		0
State general fund/general purpose .....	\$	(3,600,000)

**(2) COUNCIL FOR ARTS AND CULTURAL AFFAIRS**

Arts and cultural grants.....	\$	(3,600,000)
GROSS APPROPRIATION .....	\$	(3,600,000)
Appropriated from:		
State general fund/general purpose .....	\$	(3,600,000)

**Department of human services.**

**Sec. 114. DEPARTMENT OF HUMAN SERVICES**

**(1) APPROPRIATION SUMMARY**

GROSS APPROPRIATION .....	\$	67,755,200
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers.....		1,300,000
ADJUSTED GROSS APPROPRIATION .....	\$	66,455,200
Federal revenues:		
Total federal revenues .....		290,800
Special revenue funds:		
Total private revenues.....		0
Total local revenues.....		0
Total other state restricted revenues .....		123,400
State general fund/general purpose .....	\$	66,041,000

**(2) EXECUTIVE OPERATIONS**

Salaries and wages .....	\$	346,700
Contractual services, supplies, and materials .....		9,000
GROSS APPROPRIATION .....	\$	355,700
Appropriated from:		
Federal revenues:		
Total federal revenues .....		108,800
State general fund/general purpose .....	\$	246,900

	For Fiscal Year Ending Sept. 30, 2007
<b>(3) ADULT AND FAMILY SERVICES</b>	
Rape prevention and services .....	\$ 0
GROSS APPROPRIATION .....	\$ 0
Appropriated from:	
Interdepartmental grant revenues:	
IDG from DCH - crime victim's rights funds .....	1,300,000
Federal revenues:	
Total federal revenues .....	(1,300,000)
State general fund/general purpose .....	\$ 0
<b>(4) CHILD AND FAMILY SERVICES</b>	
Foster care payments .....	\$ 1,226,200
GROSS APPROPRIATION .....	\$ 1,226,200
Appropriated from:	
Federal revenues:	
Total federal revenues .....	1,226,200
State general fund/general purpose .....	\$ 0
<b>(5) LOCAL OFFICE STAFF AND OPERATIONS</b>	
SSI advocates .....	\$ 213,500
GROSS APPROPRIATION .....	\$ 213,500
Appropriated from:	
Federal revenues:	
Total federal revenues .....	213,500
Special revenue funds:	
Supplemental security income recoveries .....	(213,500)
State general fund/general purpose .....	\$ 213,500
<b>(6) CENTRAL SUPPORT ACCOUNTS</b>	
Travel .....	\$ 11,200
Payroll taxes and fringe benefits .....	145,700
GROSS APPROPRIATION .....	\$ 156,900
Appropriated from:	
Federal revenues:	
Total federal revenues .....	42,300
State general fund/general purpose .....	\$ 114,600
<b>(7) OFFICE OF CHILDREN AND ADULT LICENSING</b>	
AFC, children's welfare and day care licensure .....	\$ 123,400
GROSS APPROPRIATION .....	\$ 123,400
Appropriated from:	
Special revenue funds:	
Restricted - licensing fees .....	90,400
Restricted - health fees and collections .....	33,000
State general fund/general purpose .....	\$ 0
<b>(8) PUBLIC ASSISTANCE</b>	
Family independence program .....	\$ 65,679,500
State disability assistance payments .....	0
GROSS APPROPRIATION .....	\$ 65,679,500
Appropriated from:	
Special revenue funds:	
Supplemental security income recoveries .....	213,500
State general fund/general purpose .....	\$ 65,466,000

For Fiscal Year  
Ending Sept. 30,  
2007

## Judiciary.

### Sec. 115. JUDICIARY

#### (1) APPROPRIATION SUMMARY

Full-time equated exempted positions

GROSS APPROPRIATION .....	\$	(4,190,500)
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers.....		0
ADJUSTED GROSS APPROPRIATION .....	\$	(4,190,500)
Federal revenues:		
Total federal revenues .....		0
Special revenue funds:		
Total local revenues.....		0
Total private revenues.....		0
Total local and private revenues .....		0
Total other state restricted revenues .....		(86,900)
State general fund/general purpose .....	\$	(4,103,600)

#### (2) SUPREME COURT

Supreme court administration.....	\$	(521,700)
Judicial institute.....		(105,100)
State court administrative office .....		(287,000)
Judicial information systems .....		(124,700)
Foster care review board.....		(35,500)
Drug treatment courts.....		(34,000)
GROSS APPROPRIATION .....	\$	(1,108,000)
Appropriated from:		
State general fund/general purpose .....	\$	(1,108,000)

#### (3) COURT OF APPEALS

Court of appeals operations .....	\$	(845,000)
GROSS APPROPRIATION .....	\$	(845,000)
Appropriated from:		
State general fund/general purpose .....	\$	(845,000)

#### (4) JUDICIAL AGENCIES

Judicial tenure commission .....	\$	(40,900)
GROSS APPROPRIATION .....	\$	(40,900)
Appropriated from:		
State general fund/general purpose .....	\$	(40,900)

#### (5) INDIGENT DEFENSE - CRIMINAL

Appellate public defender program.....	\$	(176,600)
Appellate assigned counsel administration .....		(31,100)
GROSS APPROPRIATION .....	\$	(207,700)
Appropriated from:		
State general fund/general purpose .....	\$	(207,700)

#### (6) TRIAL COURT OPERATIONS

Court equity fund reimbursements.....	\$	(745,500)
GROSS APPROPRIATION .....	\$	(745,500)
Appropriated from:		
State general fund/general purpose .....	\$	(745,500)

For Fiscal Year  
Ending Sept. 30,  
2007

**(7) RETIREMENT SAVINGS**

Retirement savings .....	\$	(1,243,400)
GROSS APPROPRIATION .....	\$	<u>(1,243,400)</u>
Appropriated from:		
Special revenue funds:		
State restricted revenue and reimbursements .....		(86,900)
State general fund/general purpose .....	\$	(1,156,500)

**Department of labor and economic growth.**

**Sec. 116. DEPARTMENT OF LABOR AND ECONOMIC**

**GROWTH**

**(1) APPROPRIATION SUMMARY**

GROSS APPROPRIATION .....	\$	10,550,000
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers.....		0
ADJUSTED GROSS APPROPRIATION .....	\$	10,550,000
Federal revenues:		
Total federal revenues .....		10,000,000
Special revenue funds:		
Total local revenues.....		0
Total private revenues.....		0
Total other state restricted revenues .....		550,000
State general fund/general purpose .....	\$	0

**(2) LIQUOR CONTROL COMMISSION**

Management support services.....	\$	(31,000)
Liquor licensing and enforcement .....		(119,000)
GROSS APPROPRIATION .....	\$	<u>(150,000)</u>
Appropriated from:		
Special revenue funds:		
Liquor purchase revolving fund.....		(150,000)
State general fund/general purpose .....	\$	0

**(3) BUREAU OF WORKER'S AND UNEMPLOYMENT**

**COMPENSATION**

Supplemental benefit fund .....	\$	(300,000)
GROSS APPROPRIATION .....	\$	<u>(300,000)</u>
Appropriated from:		
Special revenue funds:		
Corporation fees.....		(150,000)
Securities fees .....		(150,000)
State general fund/general purpose .....	\$	0

**(4) DEPARTMENT GRANTS**

Welfare-to-work programs .....	\$	10,000,000
Fire protection grants .....		1,000,000
GROSS APPROPRIATION .....	\$	<u>11,000,000</u>
Appropriated from:		
Federal revenues:		
DOL-ETA, workforce investment act.....		10,000,000
Special revenue funds:		
Fire protection fund .....		1,000,000
State general fund/general purpose .....	\$	0



For Fiscal Year  
Ending Sept. 30,  
2007

**Legislature.**

**Sec. 117. LEGISLATURE**

**(1) APPROPRIATION SUMMARY**

GROSS APPROPRIATION .....	\$	(5,293,900)
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers.....		0
ADJUSTED GROSS APPROPRIATION .....	\$	(5,293,900)
Federal revenues:		
Total federal revenues .....		0
Special revenue funds:		
Total local revenues.....		0
Total private revenues.....		0
Total local and private revenues .....		0
Total other state restricted revenues .....		0
State general fund/general purpose .....	\$	(5,293,900)

**(2) LEGISLATURE**

Senate .....	\$	(1,241,200)
Senate automated data processing .....		(134,200)
Senate fiscal agency .....		(104,400)
House of representatives .....		(1,677,600)
House automated data processing .....		(106,600)
GROSS APPROPRIATION .....	\$	(3,264,000)

Appropriated from:

State general fund/general purpose .....	\$	(3,264,000)
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**(3) LEGISLATIVE COUNCIL**

Legislative council .....	\$	(506,000)
Legislative service bureau automated data processing.....		(72,400)
Worker's compensation .....		(7,000)
National association dues .....		(5,100)
GROSS APPROPRIATION .....	\$	(590,500)

Appropriated from:

State general fund/general purpose .....	\$	(590,500)
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**(4) RETIREMENT SAVINGS**

Senate .....	\$	(348,700)
Senate fiscal agency .....		(105,600)
House of representatives .....		(372,400)
House fiscal agency .....		(122,200)
Legislative council .....		(490,500)
GROSS APPROPRIATION .....	\$	(1,439,400)

Appropriated from:

State general fund/general purpose .....	\$	(1,439,400)
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**Legislative auditor general.**

**Sec. 118. LEGISLATIVE AUDITOR GENERAL**

**(1) APPROPRIATION SUMMARY**

GROSS APPROPRIATION .....	\$	(1,240,400)
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers.....		0
ADJUSTED GROSS APPROPRIATION .....	\$	(1,240,400)

	For Fiscal Year Ending Sept. 30, 2007
Federal revenues:	
Total federal revenues .....	\$ 0
Special revenue funds:	
Total local revenues.....	0
Total private revenues.....	0
Total local and private revenues .....	0
Total other state restricted revenues .....	0
State general fund/general purpose .....	\$ (1,240,400)
<b>(2) OFFICE OF THE AUDITOR GENERAL</b>	
Field operations .....	\$ (650,300)
GROSS APPROPRIATION .....	\$ (650,300)
Appropriated from:	
State general fund/general purpose .....	\$ (650,300)
<b>(3) RETIREMENT SAVINGS</b>	
Retirement savings .....	\$ (590,100)
GROSS APPROPRIATION .....	\$ (590,100)
Appropriated from:	
State general fund/general purpose .....	\$ (590,100)
<b>Department of management and budget.</b>	
<b>Sec. 119. DEPARTMENT OF MANAGEMENT AND BUDGET</b>	
<b>(1) APPROPRIATION SUMMARY</b>	
GROSS APPROPRIATION .....	\$ (488,300)
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers.....	61,700
ADJUSTED GROSS APPROPRIATION .....	\$ (550,000)
Federal revenues:	
Total federal revenues .....	0
Special revenue funds:	
Total local revenues.....	0
Total private revenues.....	0
Total local and private revenues .....	0
Total other state restricted revenues .....	0
State general fund/general purpose .....	\$ (550,000)
<b>(2) MANAGEMENT AND BUDGET SERVICES</b>	
Administrative services.....	\$ (25,000)
Budget and financial management .....	61,700
Office of the state employer .....	(60,000)
Business support services .....	(65,000)
GROSS APPROPRIATION .....	\$ (88,300)
Appropriated from:	
Interdepartmental grant revenues:	
IDG from MDHS .....	61,700
State general fund/general purpose .....	\$ (150,000)
<b>(3) INFORMATION TECHNOLOGY</b>	
Information technology services and projects.....	\$ (400,000)
GROSS APPROPRIATION .....	\$ (400,000)
Appropriated from:	
State general fund/general purpose .....	\$ (400,000)

For Fiscal Year  
Ending Sept. 30,  
2007

**Michigan strategic fund.**

**Sec. 120. MICHIGAN STRATEGIC FUND**

**(1) APPROPRIATION SUMMARY**

GROSS APPROPRIATION .....	\$	(297,600)
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers.....		0
ADJUSTED GROSS APPROPRIATION .....	\$	(297,600)
Federal revenues:		
Total federal revenues .....		0
Special revenue funds:		
Total local revenues.....		0
Total private revenues.....		0
Total local and private revenues .....		0
Total other state restricted revenues .....		0
State general fund/general purpose .....	\$	(297,600)

**(2) MICHIGAN STRATEGIC FUND**

Job creation services.....	\$	(297,600)
GROSS APPROPRIATION .....	\$	(297,600)
Appropriated from:		
State general fund/general purpose .....	\$	(297,600)

**Department of military and veterans affairs.**

**Sec. 121. DEPARTMENT OF MILITARY AND VETERANS AFFAIRS**

**(1) APPROPRIATION SUMMARY**

GROSS APPROPRIATION .....	\$	134,500
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers.....		0
ADJUSTED GROSS APPROPRIATION .....	\$	134,500
Federal revenues:		
Total federal revenues .....		0
Special revenue funds:		
Total local revenues.....		0
Total private revenues.....		0
Total other state restricted revenues .....		134,500
State general fund/general purpose .....	\$	0

**(2) D.J. JACOBETTI VETERANS' HOME**

D.J. Jacobetti veterans' home.....	\$	134,500
GROSS APPROPRIATION .....	\$	134,500
Appropriated from:		
Special revenue funds:		
Income and assessments .....		134,500
State general fund/general purpose .....	\$	0

**Department of natural resources.**

**Sec. 122. DEPARTMENT OF NATURAL RESOURCES**

**(1) APPROPRIATION SUMMARY**

GROSS APPROPRIATION .....	\$	(510,000)
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For Fiscal Year  
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2007

Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers.....	\$ 0
<b>ADJUSTED GROSS APPROPRIATION .....</b>	<b>\$ (510,000)</b>
Federal revenues:	
Total federal revenues .....	0
Special revenue funds:	
Total local revenues.....	0
Total private revenues.....	0
Total other state restricted revenues .....	0
State general fund/general purpose .....	\$ (510,000)
<b>(2) EXECUTIVE</b>	
Communications .....	\$ (10,000)
Executive direction .....	(50,000)
<b>GROSS APPROPRIATION .....</b>	<b>\$ (60,000)</b>
Appropriated from:	
State general fund/general purpose .....	\$ (60,000)
<b>(3) ADMINISTRATIVE SERVICES</b>	
Financial services .....	\$ (20,000)
Human resources .....	(20,000)
<b>GROSS APPROPRIATION .....</b>	<b>\$ (40,000)</b>
Appropriated from:	
State general fund/general purpose .....	\$ (40,000)
<b>(4) WILDLIFE MANAGEMENT</b>	
Wildlife management.....	\$ (150,000)
Natural resources heritage .....	(10,000)
<b>GROSS APPROPRIATION .....</b>	<b>\$ (160,000)</b>
Appropriated from:	
State general fund/general purpose .....	\$ (160,000)
<b>(5) FOREST, MINERAL, AND FIRE MANAGEMENT</b>	
Cooperative resource programs.....	\$ (75,000)
Forest recreation and trails.....	(75,000)
<b>GROSS APPROPRIATION .....</b>	<b>\$ (150,000)</b>
Appropriated from:	
State general fund/general purpose .....	\$ (150,000)
<b>(6) INFORMATION TECHNOLOGY</b>	
Information technology services and projects.....	\$ (100,000)
<b>GROSS APPROPRIATION .....</b>	<b>\$ (100,000)</b>
Appropriated from:	
State general fund/general purpose .....	\$ (100,000)

**Department of state.**

**Sec. 123. DEPARTMENT OF STATE**

**(1) APPROPRIATION SUMMARY**

<b>GROSS APPROPRIATION .....</b>	<b>\$ (757,900)</b>
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers.....	0
<b>ADJUSTED GROSS APPROPRIATION .....</b>	<b>\$ (757,900)</b>
Federal revenues:	
Total federal revenues .....	0

	For Fiscal Year Ending Sept. 30, 2007
Special revenue funds:	
Total local revenues.....	\$ 0
Total private revenues.....	0
Total local and private revenues.....	0
Total other state restricted revenues.....	0
State general fund/general purpose.....	\$ (757,900)
<b>(2) DEPARTMENT SERVICES</b>	
Operations.....	\$ (26,600)
GROSS APPROPRIATION.....	\$ (26,600)
Appropriated from:	
State general fund/general purpose.....	\$ (26,600)
<b>(3) REGULATORY SERVICES</b>	
Operations.....	\$ (48,800)
GROSS APPROPRIATION.....	\$ (48,800)
Appropriated from:	
State general fund/general purpose.....	\$ (48,800)
<b>(4) CUSTOMER DELIVERY SERVICES</b>	
Branch operations.....	\$ (540,900)
Central operations.....	(141,600)
GROSS APPROPRIATION.....	\$ (682,500)
Appropriated from:	
State general fund/general purpose.....	\$ (682,500)

**Department of state police.****Sec. 124. DEPARTMENT OF STATE POLICE****(1) APPROPRIATION SUMMARY**

GROSS APPROPRIATION.....	\$ 1,200,000
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers.....	0
ADJUSTED GROSS APPROPRIATION.....	\$ 1,200,000
Federal revenues:	
Total federal revenues.....	0
Special revenue funds:	
Total local revenues.....	0
Total private revenues.....	0
Total state restricted revenues.....	0
State general fund/general purpose.....	\$ 1,200,000
<b>(2) POST UNIFORM SERVICES</b>	
Uniform services.....	\$ 1,200,000
GROSS APPROPRIATION.....	\$ 1,200,000
Appropriated from:	
State general fund/general purpose.....	\$ 1,200,000

**Department of treasury.****Sec. 125. DEPARTMENT OF TREASURY****(1) APPROPRIATION SUMMARY**

GROSS APPROPRIATION.....	\$ 3,597,500
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers.....	0

	For Fiscal Year Ending Sept. 30, 2007
ADJUSTED GROSS APPROPRIATION .....	\$ 3,597,500
Federal revenues:	
Total federal revenues .....	0
Special revenue funds:	
Total local revenues .....	0
Total private revenues .....	0
Total other state restricted revenues .....	(5,000,000)
State general fund/general purpose .....	\$ 8,597,500
<b>(2) TAX PROGRAMS</b>	
Revenue enhancement program .....	\$ (500,000)
Tax restructuring initiative .....	10,000,000
GROSS APPROPRIATION .....	\$ 9,500,000
Appropriated from:	
State general fund/general purpose .....	\$ 9,500,000
<b>(3) GRANTS</b>	
Senior citizen cooperative housing tax exemption program.....	\$ (902,500)
GROSS APPROPRIATION .....	\$ (902,500)
Appropriated from:	
State general fund/general purpose .....	\$ (902,500)
<b>(4) BUREAU OF STATE LOTTERY</b>	
Promotion and advertising.....	\$ (5,000,000)
GROSS APPROPRIATION .....	\$ (5,000,000)
Appropriated from:	
Special revenue funds:	
State lottery fund .....	(5,000,000)
State general fund/general purpose .....	\$ 0

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

**GENERAL SECTIONS**

**Total state spending; payments to local units of government.**

Sec. 201. In accordance with the provisions of section 30 of article IX of the state constitution of 1963, total state spending from state resources in this appropriation act for the fiscal year ending September 30, 2007 is \$(32,251,800.00) and state appropriations paid to local units of government are \$(16,849,700.00). The itemized statement below identifies appropriations from which spending to local units of government will occur:

COMMUNITY COLLEGES

Operations .....	\$ (12,879,900)
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**Compiler's note:** The shaded text was vetoed by the Governor, whose veto message appears in this volume under the heading "Vetoed."

DEPARTMENT OF COMMUNITY HEALTH	
Medicaid mental health services .....	\$ 820,900
Medicaid substance abuse services.....	(481,200)
Local MCH services .....	(61,500)
DEPARTMENT OF HISTORY, ARTS, AND LIBRARIES	
Arts and cultural grants.....	(3,600,000)
JUDICIARY	
Court equity fund reimbursements.....	(745,500)
DEPARTMENT OF LABOR AND ECONOMIC GROWTH	
Fire protection grants .....	1,000,000
DEPARTMENT OF TREASURY	
Senior citizen cooperative housing exemption .....	(902,500)
TOTAL PAYMENTS TO LOCALS .....	\$ (16,849,700)

**Appropriations and expenditures subject to MCL 18.1101 to 18.1594.**

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

**DEPARTMENT OF COMMUNITY HEALTH**

**Healthy Michigan fund; intent to restore reductions.**

Sec. 301. It is the intent of the legislature that reductions to appropriations from the healthy Michigan fund in part 1 be restored in the state fiscal year ending September 30, 2008.

**HISTORY, ARTS, AND LIBRARIES**

**Arts and cultural grants; intent to restore reductions.**

Sec. 501. It is the intent of the legislature that the reduction to the appropriation for arts and cultural grants in part 1 be restored in the state fiscal year ending September 30, 2008.

**DEPARTMENT OF TREASURY**

**State campaign fund; appropriation; lapse to general fund.**

Sec. 801. Pursuant to section 61 of the Michigan campaign finance act, 1976 PA 388, MCL 169.261, there is appropriated from the general fund to the state campaign fund an amount equal to the amounts designated for tax year 2006. Any amounts remaining in the state campaign fund on December 31, 2006 shall lapse to the general fund.

**REPEALER****Repeal of section 915 of article 7 of 2006 PA 345.**

Sec. 1001. Section 915 of article 7 of 2006 PA 345 is repealed.

**Repeal of sections 1010, 1109, and 1132 of 2006 PA 330.**

Sec. 1002. Sections 1010, 1109, and 1132 of 2006 PA 330 are repealed.

This act is ordered to take immediate effect.

Approved June 6, 2007.

Filed with Secretary of State June 6, 2007.

**[No. 18]****(HB 4850)**

AN ACT to amend 2005 PA 226, entitled “An act to create the Michigan tobacco settlement finance authority; to create funds and accounts; to provide for the sale by this state and the purchase by the authority of all or a portion of tobacco settlement assets; to authorize the issuing of bonds and notes; to prescribe the powers and duties of the authority, the state administrative board, the state treasurer, and certain other state officials and state employees; and to make appropriations and prescribe certain conditions for the appropriations,” by amending section 8 (MCL 129.268).

*The People of the State of Michigan enact:*

**129.268 Sale of state’s tobacco receipts; terms; agreement; purchase price; remedies; approval by resolution adopted by state administrative board; absolute transfer; limitation on use of net proceeds and earnings**

Sec. 8. (1) The state budget director with the approval of the state administrative board may sell to the authority, and the authority may purchase, for cash or other consideration and in 1 or more installments, all or a portion of the state’s tobacco receipts pursuant to the terms of 1 or more sale agreements. In the alternative, the state budget director with the approval of the state administrative board may sell all or a portion of the state’s tobacco receipts for cash or other consideration to a person or persons other than the authority, if the terms of the sale agreement to sell the state’s tobacco receipts are in the best interests of this state and the net proceeds of the sale will not exceed \$400,000,000.00. If the sale to a person or persons other than the authority is in the best interests of this state, the state administrative board shall approve the terms of the sale agreement. The sale agreement or combined sale agreements shall provide for the sale of that portion of the state’s tobacco receipts sufficient to provide net proceeds to the state in the amount of \$815,000,000.00, of which \$400,000,000.00 shall be deposited to and held, used, and expended by the state treasurer in the manner provided for in the Michigan trust fund act, 2000 PA 489, MCL 12.251 to 12.256, \$207,800,000.00 shall be deposited in the state school aid fund established by section 11 of article IX of the state constitution of 1963, and the balance shall be deposited in the general fund.

(2) Any sale agreement shall provide that the purchase price payable by the authority to the state for TSRs shall consist of the net proceeds and the residual interests, if any. In addition, any sale shall be pursuant to 1 or more sale agreements that may contain the terms and conditions considered appropriate by the state budget director to carry out and effectuate the purposes of this section, including without limitation covenants binding this state in



favor of the authority and its assignees, including without limitation the owners of the bonds and benefited parties, including a requirement that the state enforce the provisions of the master settlement agreement that require the payment of the TSRs, a requirement that the state enforce the provisions of the qualifying statute, a provision authorizing inclusion of the state's pledge and agreement, as set forth in section 11, in any agreement with owners of the bonds or any benefited parties, and covenants with respect to the application and use of the proceeds of the sale of the state's tobacco receipts to preserve the tax exemption of the interest on any bonds, if issued as tax-exempt. The state budget director in any sale agreement may agree to, and the authority may provide for, the assignment of the authority's right, title, and interest under the sale agreement for the benefit and security of the owners of bonds and benefited parties.

(3) A sale agreement may provide that the remedies available to the authority and the bondholders for any breach of the pledges and agreements of this state set forth in subsection (2) shall be limited to injunctive relief and that this state shall be considered to have diligently enforced the qualifying statute if there has been no judicial determination by a court of competent jurisdiction in this state, in an action commenced by a participating tobacco manufacturer under the master settlement agreement, that this state has failed to diligently enforce the qualifying statute.

(4) The approval of the state administrative board shall be made by a resolution adopted by the state administrative board and that approval together with the sale agreement made pursuant to that approval shall be conclusively presumed to be valid for all purposes unless challenged in an action brought in the court of appeals within 30 days after the adoption of the resolution. All challenges shall be heard and determined as expeditiously as possible with lawful precedence over other matters. Consideration by the court of appeals shall be based solely on the record before the state administrative board and briefs to the court shall be limited to whether the resolution conforms to the constitution and laws of this state and the United States and is within the authority of the state administrative board under this act.

(5) A sale of all or a portion of the state's tobacco receipts to the authority under a sale agreement shall be treated as a true sale and absolute transfer of the state's tobacco receipts transferred and not as a pledge or other security interest for any borrowing. A sale agreement that expressly states that the transfer of all or a portion of the state's tobacco receipts to the authority is a sale or other absolute transfer signifies that the transaction is a true sale and is not a secured transaction and that title, legal and equitable, has passed to the authority. The characterization of a sale as an absolute transfer by the participants shall not be negated or adversely affected by the fact that only a portion of the state's tobacco receipts are transferred, or by the acquisition or retention by this state of a residual interest, or by the participation by any state official as a member or officer of the authority, or by whether the state is responsible for collecting the TSRs or otherwise enforcing the master settlement agreement or retains legal title to the portion of the state's tobacco receipts for the purposes of these collection activities, or by any characterization of the authority or its obligations for purposes of accounting, taxation, or securities regulation, or by any other factor whatsoever. A true sale under this act exists regardless of whether the authority has any recourse against this state, or any other term of the sale agreement, including the fact that this state acts as a collector of the state's tobacco receipts or the treatment of the transfer as a financing for any purpose.

(6) On and after the effective date of each sale of TSRs, the state shall have no right, title, or interest in or to the TSRs sold, and the TSRs sold shall be property of the authority and not of this state, and shall be owned, received, held, and disbursed by the authority and not this state. On or before the effective date of a sale described in this subsection, this state through the state treasurer shall notify the escrow agent under the master settlement

agreement that this state has sold all or a portion of the state's tobacco receipts to the authority, including, if applicable, a statement as to the percentage sold and shall irrevocably instruct the escrow agent that, subsequent to the date specified in the notice, that portion of the state's tobacco receipts are to be paid directly to the authority or the trustee under the applicable authority resolution, trust agreement, or trust indenture for the benefit of the owners of the bonds and benefited parties until the authority's bonds and ancillary facilities are no longer outstanding. Once the bonds or ancillary facilities are no longer outstanding, an officer or agent of this state who shall receive any TSRs shall hold them in trust for the authority or the trustee, as applicable, and shall promptly remit the same to the authority or the trustee, as applicable.

(7) The net proceeds and any earnings on the net proceeds shall never be pledged to, or made available for, payment of the bonds or ancillary facilities or any interest or redemption price or any other debt or obligation of the authority.

This act is ordered to take immediate effect.

Approved June 12, 2007.

Filed with Secretary of State June 12, 2007.

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**[No. 19]**

**(HB 4207)**

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 provide for the levy of taxes against certain health facilities or agencies; 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," (MCL 333.1101 to 333.25211) by adding section 17213.

*The People of the State of Michigan enact:*

**333.17213 Licensure as registered professional nurse; graduate of nurse education program located outside of United States; requirements.**

Sec. 17213. (1) Notwithstanding section 16145 or section 16174(1)(c) or rules promulgated pursuant to either of those sections, the board may grant a license to an applicant applying for initial licensure as a registered professional nurse who is a graduate of a nurse education