(5) From the allocation in subsection (1), the department shall pay up to $1,000,000.00 in litigation costs incurred by this state associated with lawsuits filed by 1 or more districts or intermediate districts against this state. If the allocation under this section is insufficient to fully fund all payments required under this section, the payments under this subsection shall be made in full before any proration of remaining payments under this section.

(6) It is the intent of the legislature that all constitutional obligations of this state have been fully funded under sections 22a, 31d, 51a, and 51c. If a claim is made by an entity receiving funds under this act that challenges the legislative determination of the adequacy of this funding or alleges that there exists an unfunded constitutional requirement, the state budget director may escrow or allocate from the discretionary funds for nonmandated payments under this section the amount as may be necessary to satisfy the claim before making any payments to districts under subsection (2). If funds are escrowed, the escrowed funds are a work project appropriation and the funds are carried forward into the following fiscal year. The purpose of the work project is to provide for any payments that may be awarded to districts as a result of litigation. The work project shall be completed upon resolution of the litigation.

(7) If the local claims review board or a court of competent jurisdiction makes a final determination that this state is in violation of section 29 of article IX of the state constitution of 1963 regarding state payments to districts, the state budget director shall use work project funds under subsection (6) or allocate from the discretionary funds for nonmandated payments under this section the amount as may be necessary to satisfy the amount owed to districts before making any payments to districts under subsection (2).

(8) If a claim is made in court that challenges the legislative determination of the adequacy of funding for this state's constitutional obligations or alleges that there exists an unfunded constitutional requirement, any interested party may seek an expedited review of the claim by the local claims review board. If the claim exceeds $10,000,000.00, this state may remove the action to the court of appeals, and the court of appeals shall have and shall exercise jurisdiction over the claim.

(9) If payments resulting from a final determination by the local claims review board or a court of competent jurisdiction that there has been a violation of section 29 of article IX of the state constitution of 1963 exceed the amount allocated for discretionary nonmandated payments under this section, the legislature shall provide for adequate funding for this state's constitutional obligations at its next legislative session.

(10) If a lawsuit challenging payments made to districts related to costs reimbursed by federal title XIX medicaid funds is filed against this state, then, for the purpose of addressing potential liability under such a lawsuit, the state budget director may place funds allocated under this section in escrow or allocate money from the funds otherwise allocated under this section, up to a maximum of 50% of the amount allocated in subsection (1). If funds are placed in escrow under this subsection, those funds are a work project appropriation and the funds are carried forward into the following fiscal year. The purpose of the work project is to provide for any payments that may be awarded to districts as a result of the litigation. The work project shall be completed upon resolution of the litigation. In addition, this state reserves the right to terminate future federal title XIX medicaid reimbursement payments to districts if the amount or allocation of reimbursed funds is challenged in the lawsuit. As used in this subsection, "title XIX" means title XIX of the social security act, 42 USC 1396 to 1396v.

(11) From the allocation in subsection (1), there is allocated for 2007-2008 only an amount not to exceed $40,000.00 for payment to a district that meets all of the following:

(a) Had a membership of less than 900 pupils for 2006-2007.

(b) Is located in an intermediate district that had a taxable value per membership pupil, as defined in section 22a, of greater than $290,000.00 for 2006-2007.

(c) The school electors of the district voted in the affirmative on May 8, 2007 to restore a millage reduction required under section 31 of article IX of the state constitution of 1963, but the district was later found to have an incorrect millage reduction fraction as defined in section 34d of the general property tax act, 1893 PA 206, MCL 211.34d.

388.1622d Geographically isolated districts; payments; spending plan; eligibility.

Sec. 22d. (1) From the amount allocated under section 22b, an amount not to exceed $2,025,000.00 is allocated for 2007-2008 for additional payments to small, geographically isolated districts under this section.

(2) From the allocation under subsection (1), there is allocated for 2007-2008 an amount not to exceed $750,000.00 for payments under this subsection to districts that meet all of the following:

(a) Operates grades K to 12.

(b) Has fewer than 250 pupils in membership.

(c) Each school building operated by the district meets at least 1 of the following:

(*i*) Is located in the Upper Peninsula at least 30 miles from any other public school building.

(*ii*) Is located on an island that is not accessible by bridge.

(3) The amount of the additional funding to each eligible district under subsection (2) shall be determined under a spending plan developed as provided in this subsection and approved by the superintendent of public instruction. The spending plan shall be developed cooperatively by the intermediate superintendents of each intermediate district in which an eligible district is located. The intermediate superintendents shall review the financial situation of each eligible district, determine the minimum essential financial needs of each eligible district, and develop and agree on a spending plan that distributes the available funding under subsection (2) to the eligible districts based on those financial needs. The intermediate superintendents shall submit the spending plan to the superintendent of public instruction for approval. Upon approval by the superintendent of public instruction, the amounts specified for each eligible district under the spending plan are allocated under subsection (2) and shall be paid to the eligible districts in the same manner as payments under section 22b.

(4) Subject to subsection (6), from the allocation in subsection (1), there is allocated for 2007-2008 an amount not to exceed $1,275,000.00 for payments under this subsection to districts that meet all of the following:

(a) The district has 5.0 or fewer pupils per square mile as determined by the department.

(b) The district has a total square mileage greater than 200.0 or is 1 of 2 districts that have consolidated transportation services and have a combined total square mileage greater than 200.0.

(5) The funds allocated under subsection (4) shall be allocated on an equal per pupil basis.

(6) A district receiving funds allocated under subsection (2) is not eligible for funding allocated under subsection (4).

388.1632e Funding under MCL 388.1632d; amount; limitation; distribution.

Sec. 32e. From the state school aid fund money appropriated under section 11, there is allocated an amount not to exceed $4,700,000.00 for 2007-2008 to districts eligible to receive

funding under section 32d. The funding under this section shall be distributed among districts in decreasing order of concentration of eligible children as determined by section 38. The amount distributed to each district under this section shall be an amount equal to the number of children the district served under section 32d in 2006-2007 or the number of children the district indicates it will be able to serve under section 37(2)(c) in 2007-2008, whichever is less, minus the number of children for which the district has previously received funding in 2007-2008 as determined by the department, multiplied by $3,400.00. However, a district is not required to return previously allocated funding to the school aid fund in 2007-2008 as a result of this calculation.

388.1651a Allocations for reimbursement to districts and intermediate districts for special education programs, services, and personnel, certain net tuition payments, and programs for pupils eligible for special education programs; allocation of state and federal funds; reimbursement; total payment; adjustments; rights, benefits, and tenure of transferred personnel; refund; foundation allowance; order of expenditures.

Sec. 51a. (1) From the appropriation in section 11, there is allocated for 2007-2008 an amount not to exceed $990,483,000.00 from state sources and all available federal funding under sections 611 to 619 of part B of the individuals with disabilities education act, 20 USC 1411 to 1419, estimated at $350,700,000.00, plus any carryover federal funds from previous year appropriations. The allocations under this subsection are for the purpose of reimbursing districts and intermediate districts for special education programs, services, and special education personnel as prescribed in article 3 of the revised school code, MCL 380.1701 to 380.1766; net tuition payments made by intermediate districts to the Michigan schools for the deaf and blind; and special education programs and services for pupils who are eligible for special education programs and services according to statute or rule. For meeting the costs of special education programs and services not reimbursed under this article, a district or intermediate district may use money in general funds or special education funds, not otherwise restricted, or contributions from districts to intermediate districts, tuition payments, gifts and contributions from individuals, or federal funds that may be available for this purpose, as determined by the intermediate district plan prepared pursuant to article 3 of the revised school code, MCL 380.1701 to 380.1766. All federal funds allocated under this section in excess of those allocated under this section for 2002-2003 may be distributed in accordance with the flexible funding provisions of the individuals with disabilities education act, Public Law 108-446, including, but not limited to, 34 CFR 300.206 and 300.208. Notwithstanding section 17b, payments of federal funds to districts, intermediate districts, and other eligible entities under this section shall be paid on a schedule determined by the department.

(2) From the funds allocated under subsection (1), there is allocated for 2007-2008 the amount necessary, estimated at $216,500,000.00, for payments toward reimbursing districts and intermediate districts for 28.6138% of total approved costs of special education, excluding costs reimbursed under section 53a, and 70.4165% of total approved costs of special education transportation. Allocations under this subsection shall be made as follows:

(a) The initial amount allocated to a district under this subsection toward fulfilling the specified percentages shall be calculated by multiplying the district's special education pupil membership, excluding pupils described in subsection (12), times the sum of the foundation allowance under section 20 of the pupil's district of residence plus the amount of the district's per pupil allocation under section 20j(2), not to exceed the basic foundation allowance under section 20 for the current fiscal year, or, for a special education pupil in membership in a district that is a public school academy or university school, times an amount equal to the amount per membership pupil calculated under section 20(6). For an intermediate district, the

amount allocated under this subdivision toward fulfilling the specified percentages shall be an amount per special education membership pupil, excluding pupils described in subsection (12), and shall be calculated in the same manner as for a district, using the foundation allowance under section 20 of the pupil's district of residence, not to exceed the basic foundation allowance under section 20 for the current fiscal year, and that district's per pupil allocation under section 20j(2).

(b) After the allocations under subdivision (a), districts and intermediate districts for which the payments under subdivision (a) do not fulfill the specified percentages shall be paid the amount necessary to achieve the specified percentages for the district or intermediate district.

(3) From the funds allocated under subsection (1), there is allocated for 2007-2008 the amount necessary, estimated at $1,500,000.00, to make payments to districts and intermediate districts under this subsection. If the amount allocated to a district or intermediate district for a fiscal year under subsection (2)(b) is less than the sum of the amounts allocated to the district or intermediate district for 1996-97 under sections 52 and 58, there is allocated to the district or intermediate district for the fiscal year an amount equal to that difference, adjusted by applying the same proration factor that was used in the distribution of funds under section 52 in 1996-97 as adjusted to the district's or intermediate district's necessary costs of special education used in calculations for the fiscal year. This adjustment is to reflect reductions in special education program operations or services between 1996-97 and subsequent fiscal years. Adjustments for reductions in special education program operations or services shall be made in a manner determined by the department and shall include adjustments for program or service shifts.

(4) If the department determines that the sum of the amounts allocated for a fiscal year to a district or intermediate district under subsection (2)(a) and (b) is not sufficient to fulfill the specified percentages in subsection (2), then the shortfall shall be paid to the district or intermediate district during the fiscal year beginning on the October 1 following the determination and payments under subsection (3) shall be adjusted as necessary. If the department determines that the sum of the amounts allocated for a fiscal year to a district or intermediate district under subsection (2)(a) and (b) exceeds the sum of the amount necessary to fulfill the specified percentages in subsection (2), then the department shall deduct the amount of the excess from the district's or intermediate district's payments under this act for the fiscal year beginning on the October 1 following the determination and payments under subsection (3) shall be adjusted as necessary. However, if the amount allocated under subsection (2)(a) in itself exceeds the amount necessary to fulfill the specified percentages in subsection (2), there shall be no deduction under this subsection.

(5) State funds shall be allocated on a total approved cost basis. Federal funds shall be allocated under applicable federal requirements, except that an amount not to exceed $3,500,000.00 may be allocated by the department for 2007-2008 to districts, intermediate districts, or other eligible entities on a competitive grant basis for programs, equipment, and services that the department determines to be designed to benefit or improve special education on a statewide scale.

(6) From the amount allocated in subsection (1), there is allocated an amount not to exceed $2,200,000.00 for 2007-2008 to reimburse 100% of the net increase in necessary costs incurred by a district or intermediate district in implementing the revisions in the administrative rules for special education that became effective on July 1, 1987. As used in this subsection, "net increase in necessary costs" means the necessary additional costs incurred solely because of new or revised requirements in the administrative rules minus cost savings permitted in implementing the revised rules. Net increase in necessary costs shall be determined in a manner specified by the department.

(7) For purposes of this article, all of the following apply:

(a) "Total approved costs of special education" shall be determined in a manner specified by the department and may include indirect costs, but shall not exceed 115% of approved direct costs for section 52 and section 53a programs. The total approved costs include salary and other compensation for all approved special education personnel for the program, including payments for social security and medicare and public school employee retirement system contributions. The total approved costs do not include salaries or other compensation paid to administrative personnel who are not special education personnel as defined in section 6 of the revised school code, MCL 380.6. Costs reimbursed by federal funds, other than those federal funds included in the allocation made under this article, are not included. Special education approved personnel not utilized full time in the evaluation of students or in the delivery of special education programs, ancillary, and other related services shall be reimbursed under this section only for that portion of time actually spent providing these programs and services, with the exception of special education programs and services provided to youth placed in child caring institutions or juvenile detention programs approved by the department to provide an on-grounds education program.

(b) Beginning with the 2004-2005 fiscal year, a district or intermediate district that employed special education support services staff to provide special education support services in 2003-2004 or in a subsequent fiscal year and that in a fiscal year after 2003-2004 receives the same type of support services from another district or intermediate district shall report the cost of those support services for special education reimbursement purposes under this act. This subdivision does not prohibit the transfer of special education classroom teachers and special education classroom aides if the pupils counted in membership associated with those special education classroom teachers and special education classroom aides are transferred and counted in membership in the other district or intermediate district in conjunction with the transfer of those teachers and aides.

(c) If the department determines before bookclosing for 2006-2007 that the amounts allocated for 2006-2007 under subsections (2), (3), (6), (8), and (12) and sections 53a, 54, and 56 will exceed expenditures for 2006-2007 under subsections (2), (3), (6), (8), and (12) and sections 53a, 54, and 56, then for 2006-2007 only, for a district or intermediate district whose reimbursement for 2006-2007 would otherwise be affected by subdivision (b), subdivision (b) does not apply to the calculation of the reimbursement for that district or intermediate district and reimbursement for that district or intermediate district shall be calculated in the same manner as it was for 2003-2004. If the amount of the excess allocations under subsections (2), (3), (6), (8), and (12) and sections 53a, 54, and 56 is not sufficient to fully fund the calculation of reimbursement to those districts and intermediate districts under this subdivision, then the calculations and resulting reimbursement under this subdivision shall be prorated on an equal percentage basis.

(d) Reimbursement for ancillary and other related services, as defined by R 340.1701c of the Michigan administrative code, shall not be provided when those services are covered by and available through private group health insurance carriers or federal reimbursed program sources unless the department and district or intermediate district agree otherwise and that agreement is approved by the state budget director. Expenses, other than the incidental expense of filing, shall not be borne by the parent. In addition, the filing of claims shall not delay the education of a pupil. A district or intermediate district shall be responsible for payment of a deductible amount and for an advance payment required until the time a claim is paid.

(e) Beginning with calculations for 2004-2005, if an intermediate district purchases a special education pupil transportation service from a constituent district that was previously purchased from a private entity; if the purchase from the constituent district is at a lower

cost, adjusted for changes in fuel costs; and if the cost shift from the intermediate district to the constituent does not result in any net change in the revenue the constituent district receives from payments under sections 22b and 51c, then upon application by the intermediate district, the department shall direct the intermediate district to continue to report the cost associated with the specific identified special education pupil transportation service and shall adjust the costs reported by the constituent district to remove the cost associated with that specific service.

(8) From the allocation in subsection (1), there is allocated for 2007-2008 an amount not to exceed $15,313,900.00 to intermediate districts. The payment under this subsection to each intermediate district shall be equal to the amount of the 1996-97 allocation to the intermediate district under subsection (6) of this section as in effect for 1996-97.

(9) A pupil who is enrolled in a full-time special education program conducted or administered by an intermediate district or a pupil who is enrolled in the Michigan schools for the deaf and blind shall not be included in the membership count of a district, but shall be counted in membership in the intermediate district of residence.

(10) Special education personnel transferred from 1 district to another to implement the revised school code shall be entitled to the rights, benefits, and tenure to which the person would otherwise be entitled had that person been employed by the receiving district originally.

(11) If a district or intermediate district uses money received under this section for a purpose other than the purpose or purposes for which the money is allocated, the department may require the district or intermediate district to refund the amount of money received. Money that is refunded shall be deposited in the state treasury to the credit of the state school aid fund.

(12) From the funds allocated in subsection (1), there is allocated for 2007-2008 the amount necessary, estimated at $7,600,000.00, to pay the foundation allowances for pupils described in this subsection. The allocation to a district under this subsection shall be calculated by multiplying the number of pupils described in this subsection who are counted in membership in the district times the sum of the foundation allowance under section 20 of the pupil's district of residence plus the amount of the district's per pupil allocation under section 20j(2), not to exceed the basic foundation allowance under section 20 for the current fiscal year, or, for a pupil described in this subsection who is counted in membership in a district that is a public school academy or university school, times an amount equal to the amount per membership pupil under section 20(6). The allocation to an intermediate district under this subsection shall be calculated in the same manner as for a district, using the foundation allowance under section 20 of the pupil's district of residence, not to exceed the basic foundation allowance under section 20 for the current fiscal year, and that district's per pupil allocation under section 20j(2). This subsection applies to all of the following pupils:

(a) Pupils described in section 53a.

(b) Pupils counted in membership in an intermediate district who are not special education pupils and are served by the intermediate district in a juvenile detention or child caring facility.

(c) Emotionally impaired pupils counted in membership by an intermediate district and provided educational services by the department of community health.

(13) After payments under subsections (2) and (12) and section 51c, the remaining expenditures from the allocation in subsection (1) shall be made in the following order:

(a) 100% of the reimbursement required under section 53a.

(b) 100% of the reimbursement required under subsection (6).

(c) 100% of the payment required under section 54.

(d) 100% of the payment required under subsection (3).

(e) 100% of the payment required under subsection (8).

(f) 100% of the payments under section 56.

(14) The allocations under subsection (2), subsection (3), and subsection (12) shall be allocations to intermediate districts only and shall not be allocations to districts, but instead shall be calculations used only to determine the state payments under section 22b.

388.1651c Reimbursement for percentage of special education and special education transportation costs.

Sec. 51c. As required by the court in the consolidated cases known as Durant v State of Michigan, Michigan supreme court docket no. 104458-104492, from the allocation under section 51a(1), there is allocated for 2007-2008 the amount necessary, estimated at $696,000,000.00, for payments to reimburse districts for 28.6138% of total approved costs of special education excluding costs reimbursed under section 53a, and 70.4165% of total approved costs of special education transportation. Funds allocated under this section that are not expended in the state fiscal year for which they were allocated, as determined by the department, may be used to supplement the allocations under sections 22a and 22b in order to fully fund those calculated allocations for the same fiscal year.

388.1654c Availability of Newsline electronically.

Sec. 54c. From the general fund appropriation in section 11, there is allocated to the department an amount not to exceed $80,000.00 for the department to make Newsline available electronically on a statewide basis for persons who are visually impaired.

388.1656 Definitions; reimbursement to intermediate districts levying millages for special education; limitation; distribution plan; computation.

Sec. 56. (1) For the purposes of this section:

(a) "Membership" means for a particular fiscal year the total membership for the immediately preceding fiscal year of the intermediate district and the districts constituent to the intermediate district.

(b) "Millage levied" means the millage levied for special education pursuant to part 30 of the revised school code, MCL 380.1711 to 380.1743, including a levy for debt service obligations.

(c) "Taxable value" means the total taxable value of the districts constituent to an intermediate district, except that if a district has elected not to come under part 30 of the revised school code, MCL 380.1711 to 380.1743, membership and taxable value of the district shall not be included in the membership and taxable value of the intermediate district.

(2) From the allocation under section 51a(1), there is allocated an amount not to exceed $36,881,100.00 for 2007-2008 to reimburse intermediate districts levying millages for special education pursuant to part 30 of the revised school code, MCL 380.1711 to 380.1743. The purpose, use, and expenditure of the reimbursement shall be limited as if the funds were generated by these millages and governed by the intermediate district plan adopted pursuant to article 3 of the revised school code, MCL 380.1701 to 380.1766. As a condition of receiving funds under this section, an intermediate district distributing any portion of special education millage funds to its constituent districts shall submit for departmental approval and implement a distribution plan.

(3) Reimbursement for those millages levied in 2006-2007 shall be made in 2007-2008 at an amount per 2006-2007 membership pupil computed by subtracting from $161,800.00 the 2006-2007 taxable value behind each membership pupil and multiplying the resulting difference by the 2006-2007 millage levied.

388.1662 Definitions; vocational-technical education programs; limitation.

Sec. 62. (1) For the purposes of this section:

(a) "Membership" means for a particular fiscal year the total membership for the immediately preceding fiscal year of the intermediate district and the districts constituent to the intermediate district or the total membership for the immediately preceding fiscal year of the area vocational-technical program.

(b) "Millage levied" means the millage levied for area vocational-technical education pursuant to sections 681 to 690 of the revised school code, MCL 380.681 to 380.690, including a levy for debt service obligations incurred as the result of borrowing for capital outlay projects and in meeting capital projects fund requirements of area vocational-technical education.

(c) "Taxable value" means the total taxable value of the districts constituent to an intermediate district or area vocational-technical education program, except that if a district has elected not to come under sections 681 to 690 of the revised school code, MCL 380.681 to 380.690, the membership and taxable value of that district shall not be included in the membership and taxable value of the intermediate district. However, the membership and taxable value of a district that has elected not to come under sections 681 to 690 of the revised school code, MCL 380.681 to 380.690, shall be included in the membership and taxable value of the intermediate district if the district meets both of the following:

(*i*) The district operates the area vocational-technical education program pursuant to a contract with the intermediate district.

(*ii*) The district contributes an annual amount to the operation of the program that is commensurate with the revenue that would have been raised for operation of the program if millage were levied in the district for the program under sections 681 to 690 of the revised school code, MCL 380.681 to 380.690.

(2) From the appropriation in section 11, there is allocated an amount not to exceed $9,000,000.00 for 2007-2008 to reimburse intermediate districts and area vocational-technical education programs established under section 690(3) of the revised school code, MCL 380.690, levying millages for area vocational-technical education pursuant to sections 681 to 690 of the revised school code, MCL 380.681 to 380.690. The purpose, use, and expenditure of the reimbursement shall be limited as if the funds were generated by those millages.

(3) Reimbursement for the millages levied in 2006-2007 shall be made in 2007-2008 at an amount per 2006-2007 membership pupil computed by subtracting from $171,300.00 the 2006-2007 taxable value behind each membership pupil and multiplying the resulting difference by the 2006-2007 millage levied.

388.1699n Community college programs; cooperative arrangements.

Sec. 99n. (1) It is the intent of the legislature to fund for 2008-2009 competitive grants to districts or intermediate districts that enter into cooperative arrangements with a community college to establish programs to allow pupils to earn community college credit while enrolled in middle school or high school.

(2) It is the intent of the legislature that a district that formerly operated a community college program and that ceased to operate that program after 1995 shall be merged with a community college district located in a city with a population of more than 750,000.

388.1699p Programs that provide pupils with access to cultural, art, or music resources and experiences; grants; application; awards; payment schedule.

Sec. 99p. (1) From the appropriation in section 11, there is allocated an amount not to exceed $100,000.00 for 2007-2008 for competitive grants to districts for programs that pro-

vide pupils with access to cultural, art, or music resources and experiences that are available in the community and that may promote reading, literacy, and communications skills among pupils.

(2) A district applying for a grant shall submit an application to the department in a form and manner determined by the department. To be eligible for a grant, a district shall demonstrate in its application that at least 50% of the pupils in membership in the district met the income eligibility criteria for free breakfast, lunch, or milk, as determined under the Richard B. Russell national school lunch act and as reported to the department by October 31 of the immediately preceding fiscal year and adjusted not later than December 31 of the immediately preceding fiscal year.

(3) Grant awards shall be made in a manner determined by the department. However, the department may set maximum grant amounts in a manner that maximizes the number of pupils that will be able to participate.

(4) Notwithstanding section 17b, payments to eligible districts under this section shall be paid on a schedule determined by the department.

388.1704 Compliance with revised school code and federal no child left behind act of 2001; allocation of federal funds.

Sec. 104. (1) From the state school aid fund money appropriated in section 11, there is allocated for 2007-2008 an amount not to exceed $29,322,400.00 for payments on behalf of districts for costs associated with complying with sections 104a and 104b, sections 1279, 1279g, and 1280b of the revised school code, MCL 380.1279, 380.1279g, and 380.1280b, and 1970 PA 38, MCL 388.1081 to 388.1086. In addition, from the federal funds appropriated in section 11, there is allocated for 2007-2008 an amount estimated at $5,477,600.00, funded from DED-OESE, title VI, state assessments funds and DED-OSERS, section 504 of part B of the individuals with disabilities education act, Public Law 94-142, plus any carryover federal funds from previous year appropriations, for the purposes of complying with the federal no child left behind act of 2001, Public Law 107-110.

(2) The results of each test administered as part of the Michigan educational assessment program, including tests administered to high school students, shall include an item analysis that lists all items that are counted for individual pupil scores and the percentage of pupils choosing each possible response.

(3) All federal funds allocated under this section shall be distributed in accordance with federal law and with flexibility provisions outlined in Public Law 107-116, and in the education flexibility partnership act of 1999, Public Law 106-25.

(4) Notwithstanding section 17b, payments on behalf of districts, intermediate districts, and other eligible entities under this section shall be paid on a schedule determined by the department.

Total state spending; payments to local units of government.

Enacting section 1. In accordance with section 30 of article IX of the state constitution of 1963, total state spending in this amendatory act and in 2007 PA 137 from state sources for fiscal year 2007-2008 is estimated at $11,421,776,200.00 and state appropriations to be paid to local units of government for fiscal year 2007-2008 are estimated at $11,346,293,300.00.

This act is ordered to take immediate effect.
Approved April 24, 2008.
Filed with Secretary of State April 29, 2008.

[No. 113]

(HB 5344)

AN ACT to make, supplement, and adjust appropriations for various state departments and agencies and the judicial branch for the fiscal year ending September 30, 2008; to provide for the expenditure of the appropriations; and to repeal acts and parts of acts.

The People of the State of Michigan enact:

PART 1

LINE-ITEM APPROPRIATIONS

Appropriations; supplemental various state departments and agencies and judiciary.

Sec. 101. There is appropriated for the various state departments and agencies and the judicial branch to supplement appropriations for the fiscal year ending September 30, 2008, from the following funds:

APPROPRIATION SUMMARY:		
Full-time equated classified positions	21.0	
GROSS APPROPRIATION	$	143,936,500
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	$	143,936,500
Total federal revenues		72,642,000
Total local revenues		2,310,300
Total private revenues		0
Total other state restricted revenues		26,726,400
State general fund/general purpose	$	42,257,800

Department of community health.

Sec. 102. DEPARTMENT OF COMMUNITY HEALTH

(1) APPROPRIATION SUMMARY		
GROSS APPROPRIATION	$	137,504,500
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	$	137,504,500
Total federal revenues		59,009,300
Total local revenues		1,198,400
Total private revenues		0
Total other state restricted revenues		41,206,400
State general fund/general purpose	$	36,090,400
(2) MEDICAL SERVICES		
Hospital services and therapy	$	60,821,000
Long-term care services		360,000
Health plan services		40,383,900
Subtotal basic medical services program		101,564,900
School-based services		35,939,600
Subtotal special medical services payments		35,939,600
GROSS APPROPRIATION	$	137,504,500
Appropriated from:		
Federal revenues:		
Total federal revenues		59,009,300

		For Fiscal Year Ending Sept. 30, 2008
Special revenue funds:		
Total local revenues	$	1,198,400
Total other state restricted revenues		41,206,400
State general fund/general purpose	$	36,090,400

Department of education.

Sec. 103. DEPARTMENT OF EDUCATION

(1) APPROPRIATION SUMMARY

Full-time equated classified positions	6.0	
GROSS APPROPRIATION	$	3,322,400
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	$	3,322,400
Total federal revenues		3,322,400
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		0
State general fund/general purpose	$	0

(2) EDUCATIONAL ASSESSMENT AND ACCOUNTABILITY

Full-time equated classified positions	6.0	
Educational assessment operations—6.0 FTE positions	$	3,322,400
GROSS APPROPRIATION	$	3,322,400
Appropriated from:		
Federal revenues:		
Federal revenues		3,322,400
State general fund/general purpose	$	0

Department of environmental quality.

Sec. 104. DEPARTMENT OF ENVIRONMENTAL QUALITY

(1) APPROPRIATION SUMMARY

GROSS APPROPRIATION	$	250,000
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	$	250,000
Total federal revenues		0
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		(10,750,000)
State general fund/general purpose	$	11,000,000

(2) GRANTS

Real-time water quality monitoring	$	250,000
GROSS APPROPRIATION	$	250,000
Appropriated from:		
Special revenue funds:		
Settlement funds		250,000
State general fund/general purpose	$	0

(3) AIR QUALITY

Air quality programs	$	0
GROSS APPROPRIATION	$	0

		For Fiscal Year Ending Sept. 30, 2008
Appropriated from:		
Special revenue funds:		
Air emissions fees	$	(3,527,400)
State general fund/general purpose	$	3,527,400
(4) ENVIRONMENTAL SCIENCE AND SERVICES DIVISION		
Pollution prevention and technical assistance	$	0
GROSS APPROPRIATION	$	0
Appropriated from:		
Special revenue funds:		
Air emissions fees		(377,600)
Waste reduction fee revenue		(175,200)
State general fund/general purpose	$	552,800
(5) OFFICE OF GEOLOGICAL SURVEY		
Mineral wells management	$	0
GROSS APPROPRIATION	$	0
Appropriated from:		
Special revenue funds:		
Mineral well regulatory fee revenue		(75,000)
State general fund/general purpose	$	75,000
(6) LAND AND WATER MANAGEMENT		
Field permitting and project assistance	$	0
Great Lakes shorelands		0
GROSS APPROPRIATION	$	0
Appropriated from:		
Special revenue funds:		
Land and water permit fees		(2,965,000)
State general fund/general purpose	$	2,965,000
(7) WASTE AND HAZARDOUS MATERIALS		
Hazardous waste management program	$	0
Solid waste management program		0
GROSS APPROPRIATION	$	0
Appropriated from:		
Special revenue funds:		
Environmental pollution prevention fund		(1,066,900)
Solid waste program fees		(510,500)
State general fund/general purpose	$	1,577,400
(8) WATER		
Drinking water and environmental health	$	0
Groundwater discharge		0
GROSS APPROPRIATION	$	0
Appropriated from:		
Special revenue funds:		
Groundwater discharge permit fees		(1,709,900)
On-site wastewater treatment program fund		(592,500)
State general fund/general purpose	$	2,302,400

		For Fiscal Year Ending Sept. 30, 2008
Higher education.		
Sec. 105. HIGHER EDUCATION		
(1) APPROPRIATION SUMMARY		
GROSS APPROPRIATION	$	(9,700,000)
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	$	(9,700,000)
Total federal revenues		0
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		(9,700,000)
State general fund/general purpose	$	0
(2) GRANTS AND FINANCIAL AID		
Michigan merit award program	$	(7,700,000)
Michigan promise grant program		(2,000,000)
GROSS APPROPRIATION	$	(9,700,000)
Appropriated from:		
Special revenue funds:		
Michigan merit award trust fund		(9,700,000)
State general fund/general purpose	$	0
Department of human services.		
Sec. 106. DEPARTMENT OF HUMAN SERVICES		
(1) APPROPRIATION SUMMARY		
GROSS APPROPRIATION	$	17,482,800
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	$	17,482,800
Total federal revenues		10,310,300
Total local revenues		622,400
Total private revenues		0
Total other state restricted revenues		0
State general fund/general purpose	$	6,550,100
(2) COMMUNITY ACTION AND ECONOMIC OPPORTUNITY		
Community services block grant	$	300,000
GROSS APPROPRIATION	$	300,000
Appropriated from:		
State general fund/general purpose	$	300,000
(3) ADULT AND FAMILY SERVICES		
Nutrition education	$	9,688,400
GROSS APPROPRIATION	$	9,688,400
Appropriated from:		
Federal revenues:		
Total federal revenues		9,688,400
State general fund/general purpose	$	0
(4) CHILDREN'S SERVICES		
Foster care payments	$	2,281,200
Adoption support services		213,100
GROSS APPROPRIATION	$	2,494,300

		For Fiscal Year Ending Sept. 30, 2008
Appropriated from:		
Federal revenues:		
Total federal revenues	$	621,900
Special revenue funds:		
Local funds - county chargeback		622,400
State general fund/general purpose	$	1,250,000
(5) JUVENILE JUSTICE SERVICES		
Child care fund	$	838,600
GROSS APPROPRIATION	$	838,600
Appropriated from:		
State general fund/general purpose	$	838,600
(6) LOCAL OFFICE STAFF AND OPERATIONS		
Field staff, salaries and wages	$	161,500
GROSS APPROPRIATION	$	161,500
Appropriated from:		
State general fund/general purpose	$	161,500
(7) PUBLIC ASSISTANCE		
Day care services	$	4,000,000
Homeless shelter contracts		(11,646,700)
Homeless programs		11,646,700
GROSS APPROPRIATION	$	4,000,000
Appropriated from:		
State general fund/general purpose	$	4,000,000

Judiciary.

Sec. 107. JUDICIARY

(1) APPROPRIATION SUMMARY		
GROSS APPROPRIATION	$	489,500
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	$	489,500
Total federal revenues		0
Total local revenues		489,500
Total private revenues		0
Total other state restricted revenues		0
State general fund/general purpose	$	0
(2) SUPREME COURT		
Direct trial court automation support	$	489,500
GROSS APPROPRIATION	$	489,500
Appropriated from:		
Special revenue funds:		
Local - user fees		489,500
State general fund/general purpose	$	0

Department of labor and economic growth.

Sec. 108. DEPARTMENT OF LABOR AND ECONOMIC GROWTH

(1) APPROPRIATION SUMMARY		
Full-time equated classified positions		10.0
GROSS APPROPRIATION	$	420,000
Total interdepartmental grants and intradepartmental transfers		0

		For Fiscal Year Ending Sept. 30, 2008
ADJUSTED GROSS APPROPRIATION	$	420,000
Total federal revenues		0
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		420,000
State general fund/general purpose	$	0
(2) OFFICE OF FINANCIAL AND INSURANCE SERVICES		
Full-time equated classified positions....10.0		
Financial evaluation—10.0 FTE positions	$	420,000
GROSS APPROPRIATION	$	420,000
Appropriated from:		
Special revenue funds:		
Consumer finance fees		420,000
State general fund/general purpose	$	0

Department of military and veterans affairs.

Sec. 109. DEPARTMENT OF MILITARY AND VETERANS AFFAIRS		
(1) APPROPRIATION SUMMARY		
GROSS APPROPRIATION	$	117,300
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	$	117,300
Total federal revenues		0
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		0
State general fund/general purpose	$	117,300
(2) VETERANS SERVICE ORGANIZATIONS		
American legion	$	26,600
Disabled American veterans		22,000
Marine corps league		10,100
American veterans of World War II and Korea		13,900
Veterans of foreign wars		26,600
Michigan paralyzed veterans of America		5,000
Purple heart		4,700
Polish legion of American veterans		1,200
Jewish veterans of America		1,200
State of Michigan council - Vietnam veterans of America		4,800
Catholic war veterans		1,200
GROSS APPROPRIATION	$	117,300
Appropriated from:		
State general fund/general purpose	$	117,300

Department of natural resources.

Sec. 110. DEPARTMENT OF NATURAL RESOURCES		
(1) APPROPRIATION SUMMARY		
Full-time equated classified positions....5.0		
GROSS APPROPRIATION	$	1,050,000

		For Fiscal Year Ending Sept. 30, 2008
Total interdepartmental grants and intradepartmental transfers	$	0
ADJUSTED GROSS APPROPRIATION	$	1,050,000
Total federal revenues		0
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		50,000
State general fund/general purpose	$	1,000,000
(2) FOREST, MINERAL, AND FIRE MANAGEMENT		
Full-time equated classified positions 5.0		
Wildfire protection—5.0 FTE positions	$	500,000
Forest recreation and trails		500,000
GROSS APPROPRIATION	$	1,000,000
Appropriated from:		
State general fund/general purpose	$	1,000,000
(3) GRANTS		
St. Jean public boat launch	$	50,000
GROSS APPROPRIATION	$	50,000
Appropriated from:		
Special revenue funds:		
Michigan state waterways funds		50,000
State general fund/general purpose	$	0

Department of state police.

Sec. 111. DEPARTMENT OF STATE POLICE

(1) APPROPRIATION SUMMARY		
GROSS APPROPRIATION	$	3,000,000
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	$	3,000,000
Total federal revenues		0
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		0
State general fund/general purpose	$	3,000,000
(2) FORENSIC SCIENCES		
Laboratory operations	$	2,000,000
GROSS APPROPRIATION	$	2,000,000
Appropriated from:		
State general fund/general purpose	$	2,000,000
(3) POST UNIFORM SERVICES		
At-post troopers	$	1,000,000
GROSS APPROPRIATION	$	1,000,000
Appropriated from:		
State general fund/general purpose	$	1,000,000

Department of treasury.

Sec. 112. DEPARTMENT OF TREASURY

(1) APPROPRIATION SUMMARY		
GROSS APPROPRIATION	$	(10,000,000)
Total interdepartmental grants and intradepartmental transfers		0

		For Fiscal Year Ending Sept. 30, 2008
ADJUSTED GROSS APPROPRIATION	$	(10,000,000)
Total federal revenues		0
Total local revenues		0
Total private revenues		0
Total other state restricted revenues		5,500,000
State general fund/general purpose	$	(15,500,000)
(2) DEBT SERVICES		
Quality of life bond	$	(8,000,000)
Clean Michigan initiative		(18,000,000)
Great Lakes water quality bond		(4,000,000)
GROSS APPROPRIATION	$	(30,000,000)
Appropriated from:		
State general fund/general purpose	$	(30,000,000)
(3) CASINO GAMING		
Casino gaming control administration	$	5,500,000
GROSS APPROPRIATION	$	5,500,000
Appropriated from:		
Special revenue funds:		
State services fee fund		5,500,000
State general fund/general purpose	$	0
(4) GRANTS		
Presidential primary	$	10,000,000
GROSS APPROPRIATION	$	10,000,000
Appropriated from:		
State general fund/general purpose	$	10,000,000
(5) MICHIGAN STRATEGIC FUND		
Business incubator - Macomb County	$	500,000
Business incubator - Washtenaw County		500,000
Michigan State University bio-energy research center		3,500,000
GROSS APPROPRIATION	$	4,500,000
Appropriated from:		
State general fund/general purpose	$	4,500,000

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, 2008 is $68,984,200.00 and state appropriations paid to local units of government are $11,000,000.00.

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

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

Distribution of disproportionate share hospital funding; creation of 2 pools; formula; report.

Sec. 404. (1) The department shall create 2 pools for distribution of disproportionate share hospital funding. The first pool, totaling $45,000,000.00, shall be distributed using the distribution methodology used in fiscal year 2003-2004. The second pool, totaling $5,000,000.00, shall be distributed to unaffiliated hospitals and hospital systems that received less than $900,000.00 in disproportionate share hospital payments in fiscal year 2003-2004 based on a formula that is weighted proportional to the product of each eligible system's Medicaid revenue and each eligible system's Medicaid utilization.

(2) By September 30, 2008, the department shall report to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies on the new distribution of funding to each eligible hospital from the 2 pools.

Medicaid recipients requiring specialized Alzheimer's disease or dementia care; contract with stand-alone psychiatric facility; use of funds; limitation; report.

Sec. 406. (1) Subject to subsection (2), from the funds appropriated in part 1 for long-term care services, the department of community health shall contract with a stand-alone psychiatric facility that provides at least 20% of its total care to Medicaid recipients to provide access to Medicaid recipients who require specialized Alzheimer's disease or dementia care.

(2) The department of community health shall ensure that funds under this section are only used to provide services to individuals served in fiscal year 2006-2007.

(3) The department of community health shall report to the senate and house appropriations subcommittees on community health and the senate and house fiscal agencies on the effectiveness of the contract required under subsection (1) to improve the quality of services to Medicaid recipients.

DEPARTMENT OF EDUCATION

Educational assessment and accountability operations; carrying forward unexpended balances as work project; expenditure for testing item bank system.

Sec. 411. From the unexpended balances of appropriations for educational assessment and accountability operations for the fiscal year ending September 30, 2008, up to $3,000,000.00 may be carried forward as a work project and expended for a testing item bank system. The work shall be carried out by state employees, or by contract as necessary, at an estimated cost of $3,000,000.00. The estimated completion date of the work is September 30, 2009.

DEPARTMENT OF ENVIRONMENTAL QUALITY

Real-time water quality monitoring program in St. Clair watershed.

Sec. 421. The appropriation in part 1 for real-time water quality monitoring is a grant to Macomb County and Huron-Erie corridor to support a real-time water quality monitoring program in the St. Clair watershed. Not later than September 30, 2008, grant recipients shall report to the department of environmental quality on the program's implementation and status. The department of environmental quality shall forward the report to the state budget director, the senate and house appropriations subcommittees on environmental quality, the senate and house standing committees on natural resources and environmental issues, and the senate and house fiscal agencies. Funding is contingent upon development of a department of environmental quality approved plan for long-term funding of operation and maintenance of the real-time monitoring system for the Huron-Erie corridor.

DEPARTMENT OF HUMAN SERVICES

Day care services.

Sec. 451. From the funds appropriated in part 1 for day care services, up to $3,323,900.00 shall be available for day care provider rate increases and up to $676,100.00 shall be available for administration of the program.

Nationally accredited direct foster care services; preference; contracts; for-profit child placing agency.

Sec. 452. (1) Subject to subsection (3), beginning October 1, 2007, preference shall be given in the provision of direct foster care services to public and private agencies that are nationally accredited.

(2) Contracts with licensed child placing agencies shall include specific performance and incentive measures with a focus on achieving permanency placement for children in foster care.

(3) Beginning October 1, 2007, the department shall not enter into or maintain a contract with a for-profit child placing agency, or with a nonprofit child placing agency that uses a for-profit management group or contracts with a for-profit organization for its management, to provide direct foster care services unless the agency was licensed on or before August 1, 2007 and, if the agency is a nonprofit child placing agency that uses a for-profit management group or contracts with a for-profit organization for its management, the contract with the for-profit group or organization existed prior to August 1, 2007.

New contracts with private nonprofit child placing agencies; facilitating licensure of relative caregivers as foster parents; allocation to support family incentive grants.

Sec. 453. (1) From the money appropriated in part 1 of 2007 PA 131 for foster care payments, $2,500,000.00 is allocated to support new contracts with private nonprofit child placing agencies to facilitate the licensure of relative caregivers as foster parents. Agencies shall receive $2,300.00 for each facilitated licensure. The private nonprofit agency facilitating the licensure would retain the placement and continue to provide case management services for at least 50% of the newly licensed cases for which the placement was appropriate to the agency. Up to 50% of the newly licensed cases would have direct foster care services provided by the department.

(2) From the money appropriated in part 1 of 2007 PA 131 for foster care payments, $375,000.00 is allocated to support family incentive grants to private and community-based foster care service providers to assist with home improvements needed by foster families to accommodate foster children.

Providers of high-secure juvenile services; rate adjustments.

Sec. 454. The department of human services shall review and may adjust daily per diem rates to providers of high-secure juvenile services in recognition of added complex services.

Juvenile services; funding for services of different security levels.

Sec. 455. A private nonprofit provider of juvenile services may receive funding for services of different security levels if the provider has appropriate services for each security level and adequate measures to physically separate residents of each security level. However, to be eligible for funding, the private nonprofit service provider shall not use a for-profit management group or contract with a for-profit organization for its management, except pursuant to an arrangement or written management contract existing prior to August 1, 2007.

Residential services for juvenile justice and abused or neglected youth; maintaining or entering contracts; payment; rates.

Sec. 456. (1) Beginning October 1, 2007, from the money appropriated in part 1 of 2007 PA 131 for foster care payments, Wayne County foster care payments, and child care fund, the department shall not enter into or maintain a contract with a for-profit provider of residential services for juvenile justice and abused or neglected youth, or with a nonprofit provider of residential services for juvenile justice and abused or neglected youth that uses a for-profit management group or contracts with a for-profit organization for its management, unless the provider was licensed on or before August 1, 2007 and, if the provider is a nonprofit provider of residential services for juvenile justice and abused or neglected youth that uses a for-profit management group or contacts with a for-profit organization for its management, the contract between the provider and the for-profit group or organization existed prior to August 1, 2007.

(2) Beginning October 1, 2007, from the money appropriated in part 1 of 2007 PA 131 for foster care payments, Wayne County foster care payments, and child care fund, the department shall pay a provider of residential services for juvenile justice and abused or neglected youth at daily rates that are 4.0% above the levels the provider received during the fiscal year 2006-2007. A provider shall not receive a daily rate below $130.00 per day.

Adoption contracts focusing on long-term permanent wards.

Sec. 458. From the money appropriated in part 1 of 2007 PA 131 for adoption support services, $1,049,400.00 is allocated to support new adoption contracts focusing on long-term permanent wards who have been wards for more than 1 year after termination of parental rights. Private agencies shall receive $16,000.00 for each finalized placement under the new program.

Reimbursement to private child placing agency for adoption placement; unit rate; categories.

Sec. 460. (1) Beginning October 1, 2007, from the funds appropriated in part 1 of 2007 PA 131, the department shall reimburse a private child placing agency for an adoption placement or finalization at the following unit rate, as applicable, depending on the category into which the placement falls under subsection (2):

(a) For basic and standard, $2,594.00 for a placement, $1,733.00 for a finalization.

(b) For enhanced, $4,068.00 for a placement, $2,712.00 for a finalization.

(c) For premium, $5,404.00 for a placement, $3,603.00 for a finalization.

(d) For residential, $6,240.00 for a placement, $4,160.00 for a finalization.

(e) For I-MARE, $4,368.00 for a placement, $2,912.00 for a finalization.

(f) For MARE, $5,819.00 for a placement, $3,879.00 for a finalization.

(g) For preplacement, $1,352.00 for basic or standard, $2,704.00 for enhanced.

(2) The following categories shall be used to determine which unit rate is applicable under subsection (1):

(a) The residential category shall be used for a placement that involves a child who was being cared for in a residential child caring institution.

(b) The MARE category shall be used for a placement other than an interagency placement in which the private agency used the Michigan adoption resource exchange photo-listing system.

(c) The I-MARE category shall be used for an interagency placement in which the private agency used the Michigan adoption resource exchange photo-listing system.

(d) A placement to which subdivisions (a) to (c) do not apply shall be reimbursed based on the length of time between the termination of parental rights or case referral and the placement as follows:

(*i*) The premium category shall be used if the placement is achieved less than 6 months after the termination of parental rights, or after the case referral to the agency if the case was referred 3 months or more after termination.

(*ii*) The enhanced category shall be used if the placement is achieved 6 months or more but less than 9 months after the termination of parental rights, or after the case referral to the agency if the case was referred 3 months or more after termination.

(*iii*) The basic and standard category shall be used if the placement is achieved 9 months or more after the termination of parental rights, or after the case referral to the agency if the case was referred 3 months or more after termination.

(3) The department shall not establish a payment category or unit rate other than those in this section and shall not expend funds appropriated in part 1 for a payment that does not fall within a payment category or unit rate structure established in this section.

Implementation of annual fee; deduction; use of fee revenues.

Sec. 461. The department will implement a $25.00 annual fee pursuant to title IV-D, section 454(6)(B)(*ii*) of the social security act, 42 USC 651. The fee shall be deducted from support collected on behalf of the individual. Fee revenues shall be used to administer and operate the child support program under part D of title IV of the social security act.

Admission of family to homeless shelter; obtaining TANF eligibility information.

Sec. 463. As a condition of receipt of federal TANF funds, homeless shelters and human service agencies shall collaborate with the department to obtain necessary TANF eligibility information on families as soon as possible after admitting a family to the homeless shelter. From the funds appropriated in part 1 for homeless programs, the department is authorized to make allocations of TANF funds only to the agencies that report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements. Homeless shelters that do not report necessary data to the department for the purpose of meeting TANF eligibility reporting requirements will not receive reimbursements which exceed the per diem amount they received in fiscal year 2000. The use of TANF funds under this section should not be considered an ongoing commitment of funding.

Personal care/adult foster care and home for the aged categories; state supplementation level.

Sec. 464. The state supplementation level under the supplemental security income program for the personal care/adult foster care and home for the aged categories shall not be reduced below the level in effect on October 1, 2006. The legislature shall be notified not less than 30 days before any proposed reduction in the state supplementation level.

DEPARTMENT OF LABOR AND ECONOMIC GROWTH

Tuition payments for blind clients; carrying forward unexpended funds.

Sec. 501. (1) The appropriation in part 1 for the Michigan commission for the blind includes funds for case services. These funds may be used for tuition payments for blind clients for the school year beginning September 2004.

(2) Revenue collected by the Michigan commission for the blind and from private and local sources that is unexpended at the end of the fiscal year may carry forward to the subsequent fiscal year.

Expenditures by state housing development authority; report.

Sec. 502. (1) The amount of $2,163,400.00 in the housing and community development fund is hereby appropriated and may be expended by the state housing development authority as provided in sections 58c and 58d of the state housing development authority act of 1966, 1966 PA 346, MCL 125.1458c and 125.1458d.

(2) The state housing development authority shall report by May 1 to the senate and house standing committees on appropriations subcommittees on economic development, the senate and house fiscal agencies, and the state budget office on the status of the projects described in subsection (1), including the statewide allocation plan, the number of applicants, amounts requested, description of projects, amounts rewarded, number of housing units that have been or are projected to be created, and income levels of the households that have been or are projected to be served.

DEPARTMENT OF MANAGEMENT AND BUDGET

Performance reviews; contract with experienced performance review company.

Sec. 521. The department of management and budget shall contract with an experienced performance review company to conduct performance reviews of state departments. The contract shall be done on a contingency basis and the reviews shall be concluded within 180 days of the issuance of the contract. Performance enhancement recommendations shall be submitted to the director of the department of management and budget and to the members of the senate and house appropriations committees.

DEPARTMENT OF NATURAL RESOURCES

Vaughn-Reid marine launching park; improvements.

Sec. 560. The appropriation in part 1 for the St. Jean public boat launch shall be provided to the city of Detroit to make necessary improvements to the Vaughn-Reid marine launching park, including the installation of a floating dock, dredging to remove material impeding boater access, and on-site fencing.

DEPARTMENT OF TREASURY

Cigarette stamping program; use of new digital stamping technology.

Sec. 601. It is the intent of the legislature that the department of treasury implement a cigarette stamping program utilizing new digital stamping technology.

MICHIGAN STRATEGIC FUND

Economic development job training program.

Sec. 610. (1) The appropriation in part 1 of 2007 PA 127 to the fund for the economic development job training program is focused on skills businesses need to compete in the twenty-first century. The purpose of this program is to develop a specific skill, identified for a particular business that assists that company to compete in the global economy and to create or retain high-paying jobs for Michigan residents.

(2) Not more than $800,000.00 of the total appropriation in part 1 may be expended for administrative costs by the fund. Not more than 10% of the total grant award may be expended by a recipient for administration costs.

(3) No funds appropriated in part 1 of 2007 PA 127 to the fund for the economic development job training program grants may be expended for the training of permanent striker replacement workers, unless a strike exceeds 3 years and good faith negotiations are ongoing.

(4) Of the total funds appropriated in part 1 of 2007 PA 127 for the economic development job training program grants, $4,500,000.00 of the funds shall be awarded to community colleges or a consortium of community colleges and other eligible applicants pursuant to subsection (5). Remaining funds may be awarded to any of the entities listed in subsection (5) or businesses which create at least 100 new jobs at a single location in a period not to exceed 2 years from the date of the grant award.

(5) An applicant may be a school district, intermediate school district, community college, public or private nonprofit college or university, nonprofit organization whose primary purpose is to provide education programs or employment and training services or vocational rehabilitation programs or school-to-work transition programs, local workforce development board, the headquarters of a federal and state-sponsored manufacturing technology center, or a consortium consisting of any combination of school districts, intermediate school districts, community colleges, nonprofit organizations described in this subsection, or public or private nonprofit colleges or universities described in this subsection or businesses which meet the criteria set in subsection (4).

(6) On or before October 1, the fund shall publish proposed application criteria, instructions, and forms for use by eligible applicants. The fund shall provide at least a 2-week period for public comment prior to finalization of the application criteria, instructions, and forms.

(7) The award process will include a simple notice of intent to be reviewed to see if the application merits further consideration. If so, a full application may be submitted. Applications for all grants shall be submitted to the fund, and each application shall contain at least all of the following:

(a) The name, address, and total number of employees of each business organization whose employees are receiving job training.

(b) A description of the specific job skills that will be taught.

(c) A clear statement of the project's scope of activities and number of participants to be involved.

(d) A commitment to maintain participant records in a form and manner required by the fund.

(e) A budget which relates to the proposed activities and various program components.

(8) Priority in the fund's awarding of grants shall be based on the following criteria:

(a) Demonstrated need for the type of training offered.

(b) Creation and/or retention of high wage and high skilled level jobs within a predetermined time period. For grants to businesses permitted under subsection (4), if the business does not create or retain the number of jobs specified within the predetermined time period, the business shall reimburse the state for the amount of the grant equal to the percentage difference between the number of jobs the business committed to create or retain and the number actually created or retained. The number of jobs created and retained will be verified by the business via audit after the training is completed.

(c) Other criteria determined by the fund to be important.

(9) Participants in the economic development job training program shall be 16 years or older and not enrolled and counted in membership in a school district, intermediate school district, or community college, or any other program funded with state funding. Any training provider that receives state appropriated funds shall not include in the enrollment data reported for determining state aid any student credit hours or student contact hours for a student who is a participant in the economic development job training program. Exclusions of these students is intended to avoid payment of state aid for the same individuals for whom training costs are paid for through the economic development job training program.

(10) A recipient of a grant under this section shall not charge tuition or fees to participants in the program funded by the economic development job training program grant. However, a nonprofit organization may charge tuition or fees if the tuition plan or fees are recognized by the state and the nonprofit organization receives additional funding from other governmental or private funding sources for its programs.

(11) For training delivered to incumbent workers, the business receiving the benefit of the training shall provide a minimum of 30% of the program costs in matching funds as necessitated by the program.

(12) Grant funds shall be expended on a cost reimbursement basis.

(13) A recipient of a grant under this section shall allow the fund or the agency's designee to audit all records related to the grant for all entities that receive money, either directly or indirectly through a contract, from the grant funds. A grant recipient or contractor shall reimburse the state for all disallowances found in the audit. Costs disallowed under subsection (8)(b) based on the employer job creation and retention requirements are not the same as the training costs that are disallowed in this subsection.

(14) The fund shall provide to the state budget director and the fiscal agencies by November 1 of each year a report on the economic development job training program grants.

The report shall provide this information for each grant or contract awarded during the preceding full fiscal year. The report shall contain all of the following:

(a) The amount and recipient of each grant or contract.

(b) The number of participants under each grant or contract and the number of new hires who are in training under the grant.

(c) The names, addresses, and total number of employees of all business organizations for whom training is or will be provided.

(d) The matching funds, if any, to be provided by a business organization.

(15) As a condition of receiving funds under part 1 of 2007 PA 127, the fund shall not expend any of the economic development job training program funds to train any employee who is an officer of a corporation in a corporation employing more than 250 employees.

(16) The Michigan strategic fund shall allocate $500,000.00 for aeronautics certification grants as described in this subsection. The grants shall be funded from the appropriation in part 1 for economic development job training grants or work project funds available for the defense contract coordination center, or both. The Michigan strategic fund shall report to the senate and house subcommittees on general government, the fiscal agencies, and the state budget office by January 15, 2008 on the sources of funding for this program. $500,000.00 shall be allocated for the following purposes:

(a) $250,000.00 shall be allocated for aeronautics certification grants to assist manufacturers in becoming certified for aerospace manufacturing. Priority shall be given to ISO or TS certified companies that are members of a state of Michigan nonprofit, tax-exempt aerospace manufacturers association and have received a request for quotes or request for proposal from an aerospace company. Grant awards of up to $10,000.00 shall be given to a qualifying company seeking such certification. As used in this section, "ISO" means international organization for standardization and "TS" means technical specification.

(b) $250,000.00 shall be provided to the Michigan aerospace manufacturers association, a nonprofit, tax-exempt, aerospace-based manufacturing association. Funding shall be used for organizational assistance and to advance and promote the aerospace manufacturing community in the state of Michigan within the global economy.

Michigan small business and technology development centers; use of funds.

Sec. 613. From the funds appropriated in part 1 of 2007 PA 127 to the 21st century jobs fund program, $1,400,000.00 shall be granted by the Michigan strategic fund board to the Michigan small business and technology development centers to be used for the small business technology transfer or small business innovation research grant or loan matching programs. These funds shall only be used to provide the required match. Grants or loans under this section shall not exceed 25% of the federal funds and must leverage third-party commercialization funding at both the phase I and phase II levels.

REPEALER

Repeal of sections.

Sec. 701. The following sections are repealed:

(a) Section 1717 of 2007 PA 123.

(b) Sections 1002 and 1024 of 2007 PA 127.

(c) Sections 566, 573, 574, 609, 643, 723, and 726 of 2007 PA 131.

This act is ordered to take immediate effect.
Approved April 25, 2008.
Filed with Secretary of State April 29, 2008.

[No. 114]

(HB 5463)

AN ACT to amend 2007 PA 36, entitled "An act to meet deficiencies in state funds by providing for the imposition, levy, computation, collection, assessment, reporting, payment, and enforcement of taxes on certain commercial, business, and financial activities; to prescribe the powers and duties of public officers and state departments; to provide for the inspection of certain taxpayer records; to provide for interest and penalties; to provide exemptions, credits, and refunds; to provide for the disposition of funds; to provide for the interrelation of this act with other acts; and to make appropriations," by amending section 410 (MCL 208.1410).

The People of the State of Michigan enact:

208.1410 Tax credit; "eligible taxpayer" defined.

Sec. 410. (1) For tax years that begin on or after January 1, 2008 and end before January 1, 2013, an eligible taxpayer may claim a credit against the tax imposed by this act equal to the following:

(a) For the 2008 through 2010 tax years, 65% of the eligible taxpayer's total tax liability imposed under this act not to exceed $1,700,000.00.

(b) For the 2011 tax year, 45% of the eligible taxpayer's total tax liability imposed under this act not to exceed $1,180,000.00.

(c) For the 2012 tax year, 25% of the eligible taxpayer's total tax liability imposed under this act not to exceed $650,000.00.

(2) As used in this section, "eligible taxpayer" means a taxpayer that satisfies each of the following:

(a) Is, collectively or individually, including through affiliated companies, an owner, operator, manager, licensee, lessee, or tenant of more than 1 facility or stadium in this state, including grounds and ancillary facilities, that has a capacity of at least 14,000 patrons per facility and is primarily used for professional sporting events or other entertainment.

(b) The owner, operator, manager, licensee, lessee, or tenant as described in subdivision (a) has made a capital investment of not less than $125,000,000.00, collectively or individually, including through affiliated companies, into the construction cost of a facility or stadium for which the taxpayer qualifies for this credit.

(c) The owner, operator, manager, licensee, lessee, or tenant as described in subdivision (a) has not received proceeds from a state appropriation or a public bond issue from a local unit of government or public authority to assist in the construction or debt retirement of the

facility, excluding a tax abatement, other waiver of a state or local tax or fee, or a state or local tax or fee from a public entity for road or infrastructure assistance.

Conditional effective date.

Enacting section 1. This amendatory act does not take effect unless Senate Bill No. 1118 of the 94th Legislature is enacted into law.

This act is ordered to take immediate effect.
Approved April 29, 2008.
Filed with Secretary of State April 29, 2008.

Compiler's note: Senate Bill No. 1118, referred to in enacting section 1, was filed with the Secretary of State April 29, 2008, and became 2008 PA 115, Imd. Eff. Apr. 29, 2008.

[No. 115]

(SB 1118)

AN ACT to amend 2007 PA 36, entitled "An act to meet deficiencies in state funds by providing for the imposition, levy, computation, collection, assessment, reporting, payment, and enforcement of taxes on certain commercial, business, and financial activities; to prescribe the powers and duties of public officers and state departments; to provide for the inspection of certain taxpayer records; to provide for interest and penalties; to provide exemptions, credits, and refunds; to provide for the disposition of funds; to provide for the interrelation of this act with other acts; and to make appropriations," (MCL 208.1101 to 208.1601) by adding section 410a.

The People of the State of Michigan enact:

208.1410a Tax credit; "eligible taxpayer" defined.

Sec. 410a. (1) For tax years that begin on or after January 1, 2008 and end before January 1, 2013, an eligible taxpayer may claim a credit against the tax imposed by this act equal to the following:

(a) For the 2008 through 2010 tax years, 65% of the eligible taxpayer's total tax liability imposed under this act not to exceed $1,700,000.00.

(b) For the 2011 tax year, 45% of the eligible taxpayer's total tax liability imposed under this act not to exceed $1,180,000.00.

(c) For the 2012 tax year, 25% of the eligible taxpayer's total tax liability imposed under this act not to exceed $650,000.00.

(2) As used in this section, "eligible taxpayer" means a taxpayer that is, collectively or individually, including through affiliated companies, an owner, operator, manager, licensee, lessee, or tenant of more than 1 facility or stadium in this state, including grounds and ancillary facilities, that has a capacity of at least 14,000 patrons per facility and is primarily used for professional sporting events or other entertainment, and that has made a capital investment of not less than $250,000,000.00, collectively or individually, including through affiliated companies, into the construction cost of a facility or stadium for which the taxpayer qualifies for this credit.

Conditional effective date.

Enacting section 1. This amendatory act does not take effect unless House Bill No. 5463 of the 94th Legislature is enacted into law.

This act is ordered to take immediate effect.
Approved April 29, 2008.
Filed with Secretary of State April 29, 2008.

Compiler's note: House Bill No. 5463, referred to in enacting section 1, was filed with the Secretary of State April 29, 2008, and became 2008 PA 114, Imd. Eff. Apr. 29, 2008.

[No. 116]

(HB 5600)

AN ACT to amend 1996 PA 376, entitled "An act to create and expand certain renaissance zones; to foster economic opportunities in this state; to facilitate economic development; to stimulate industrial, commercial, and residential improvements; to prevent physical and infrastructure deterioration of geographic areas in this state; to authorize expenditures; to provide exemptions and credits from certain taxes; to create certain obligations of this state and local governmental units; to require disclosure of certain transactions and gifts; to provide for appropriations; and to prescribe the powers and duties of certain state and local departments, agencies, and officials," by amending sections 4 and 8a (MCL 125.2684 and 125.2688a), section 4 as amended by 2006 PA 440 and section 8a as amended by 2006 PA 476.

The People of the State of Michigan enact:

125.2684 Designation of local governmental unit as renaissance zone; application; criteria; additional distinct geographic areas; extension of status.

Sec. 4. (1) One or more qualified local governmental units may apply to the review board to designate the qualified local governmental unit or units as a renaissance zone if all of the following criteria are met:

(a) The geographic area of the proposed renaissance zone is located within the boundaries of the qualified local governmental unit or units that apply.

(b) The application includes a development plan.

(c) The proposed renaissance zone is not more than 5,000 acres in size.

(d) The renaissance zone does not contain more than 10 distinct geographic areas. Except as otherwise provided in this subdivision, the minimum size of a distinct geographic area is not less than 5 acres. A qualified local governmental unit or units may designate not more than 8 distinct geographic areas in each renaissance zone to have no minimum size requirement.

(e) The application includes the proposed duration of renaissance zone status, not to exceed 15 years, except as otherwise provided in this section.

(f) If the qualified local governmental unit has an elected county executive, the county executive's written approval of the application.

(g) If the qualified local governmental unit is a city, that city's mayor's written approval of the application.

(2) A qualified local governmental unit may submit not more than 1 application to the review board for designation as a renaissance zone. A resolution provided by a city, village, or township under section 7(2) does not constitute an application of a city, village, or township for a renaissance zone under this act.

(3) For a distinct geographic area described in subsection (1)(d), a village may include publicly owned land within the boundaries of any distinct geographic area.

(4) Beginning December 1, 2006 through December 31, 2011, a qualified local governmental unit or units in which a renaissance zone was designated under section 8 or 8a(1) or (3) may designate additional distinct geographic areas not to exceed a total of 10 distinct geographic areas upon application to and approval by the board of the Michigan strategic fund if the distinct geographic area is located in an eligible distressed area as defined in section 11 of the state housing development authority act of 1966, 1966 PA 346, MCL 125.1411, or is contiguous to an eligible distressed area, and if the additional distinct geographic area will increase capital investment or job creation. The duration of renaissance zone status for the additional distinct geographic areas shall not exceed 15 years.

(5) Through December 31, 2002, if a qualified local governmental unit or units designate additional distinct geographic areas in a renaissance zone under subsection (4), the qualified local governmental unit or units may extend the duration of the renaissance zone status of 1 or more distinct geographic areas in that renaissance zone until 2017 upon application to and approval by the board.

(6) Through December 31, 2002, a qualified local governmental unit or units in which a renaissance zone was designated under section 8 or 8a may, upon application to and approval by the board, seek to extend the duration of renaissance zone status until 2017. Upon application, the board may extend the duration of renaissance zone status.

(7) Through December 31, 2011, a qualified local governmental unit or units in which a renaissance zone was designated under section 8 or 8a(1) or (3) may, upon application to and approval by the board of the Michigan strategic fund, seek to extend the duration of renaissance zone status for 1 or more portions of the renaissance zone if that zone or portion of a zone is in existence as of March 15, 2008, if the extension will increase capital investment or job creation, and the county in which the portion or portions of the renaissance zone are located consents to extend the duration of renaissance zone status. The board of the Michigan strategic fund may extend renaissance zone status for 1 or more portions of the renaissance zone under this subsection for a period of time not to exceed 15 years from the date of the application to the board of the Michigan strategic fund under this subsection. However, beginning on the effective date of the amendatory act that added this sentence, if the board of the Michigan strategic fund extends the duration of 1 or more portions of a renaissance zone under this subsection, the board of the Michigan strategic fund may revoke that extension if the board determines that increased capital investment or job creation will not begin within 1 year of the granting of the extension or otherwise violates the terms of the written development agreement between the owner of the real property and the board of the Michigan strategic fund. Only the qualified local governmental unit that is requesting the extension of time may submit the application. If the board of the Michigan strategic fund extends the duration of 1 or more portions of a renaissance zone, the board of the Michigan strategic fund shall enter into a written development agreement with the owner of all real property located within the boundaries of the portions of the renaissance zone whose duration has been extended. The written development agreement shall include, but is not limited to, all of the following:

(a) The duration of the extension.

(b) The conditions under which the extension is granted.

(c) The amount of capital investment.

(d) The number of jobs to be created.

(e) Any other conditions or requirements reasonably required by the board of the Michigan strategic fund.

125.2688a Additional renaissance zones; designation; property located in alternative energy zone; definitions.

Sec. 8a. (1) Except as provided in subsections (2), (3), and (4), the board shall not designate more than 9 additional renaissance zones within this state under this section. Not more than 6 of the renaissance zones shall be located in urban areas and not more than 5 of the renaissance zones shall be located in rural areas. For purposes of determining whether a renaissance zone is located in an urban area or rural area under this section, if any part of a renaissance zone is located within an urban area, the entire renaissance zone shall be considered to be located in an urban area.

(2) The board of the Michigan strategic fund described in section 4 of the Michigan strategic fund act, 1984 PA 270, MCL 125.2004, may designate not more than 17 additional renaissance zones within this state in 1 or more cities, villages, or townships if that city, village, or township or combination of cities, villages, or townships consents to the creation of a renaissance zone within their boundaries. The board of the Michigan strategic fund may designate not more than 1 of the 17 additional renaissance zones described in this subsection as an alternative energy zone. An alternative energy zone shall promote and increase the research, development, testing, and manufacturing of alternative energy technology, alternative energy systems, and alternative energy vehicles, as those terms are defined in the Michigan next energy authority act, 2002 PA 593, MCL 207.821 to 207.827. An alternative energy zone shall have a duration of renaissance zone status for a period not to exceed 20 years as determined by the board of the Michigan strategic fund. The board of the Michigan strategic fund may designate not more than 8 of the additional 17 renaissance zones described in this subsection as a redevelopment renaissance zone. A redevelopment renaissance zone shall promote the redevelopment of existing industrial facilities or the development of property for industrial purposes. The board of the Michigan strategic fund may designate not more than 1 of the 17 additional renaissance zones described in this subsection as a pharmaceutical recovery renaissance zone. A pharmaceutical recovery renaissance zone shall promote the development or redevelopment of existing underutilized facilities currently occupied or formerly occupied by a pharmaceutical company. Before designating a renaissance zone under this subsection, the board of the Michigan strategic fund may enter into a development agreement with the city, township, or village in which the renaissance zone will be located and the owner or developer of the facility or property located in the renaissance zone. The development agreement for a redevelopment renaissance zone described only in subsection (6)(b)(*vi*) or (*vii*) may provide for the payment of 1 or more of the taxes described in section 9.

(3) In addition to the not more than 9 additional renaissance zones described in subsection (1), the board may designate additional renaissance zones within this state in 1 or more qualified local governmental units if that qualified local governmental unit or units contain a military installation that was operated by the United States department of defense and was closed in 1977 or after 1990.

(4) Land owned by a county or the qualified local governmental unit or units adjacent to a zone as described in subsection (3) may be included in this zone.

(5) Notwithstanding any other provision of this act, property located in the alternative energy zone that is classified as commercial real property under section 34c of the general property tax act, 1893 PA 206, MCL 211.34c, and that the authority, with the concurrence

of the assessor of the local tax collecting unit, determines is not used to directly promote and increase the research, development, testing, and manufacturing of alternative energy technology, alternative energy systems, and alternative energy vehicles as those terms are defined in the Michigan next energy authority act, 2002 PA 593, MCL 207.821 to 207.827, is not eligible for any exemption, deduction, or credit under section 9.

(6) As used in this section:

(a) "Pharmaceutical recovery renaissance zone" means a renaissance zone that includes a geographic area that is located in 1 or both of the following:

(*i*) In a city with a population of more than 70,000 and less than 85,000 and in a county with a population of more than 235,000 and less than 250,000.

(*ii*) In a city with a population of more than 42,000 and less than 55,000 and in a county with a population of more than 235,000 and less than 250,000.

(b) "Redevelopment renaissance zone" means a renaissance zone that meets 1 of the following:

(*i*) All of the following:

(A) Is located in a city with a population of more than 7,500 and less than 8,500 and is located in a county with a population of more than 60,000 and less than 70,000.

(B) Contains only all or a portion of an industrial site of 200 or more acres.

(*ii*) All of the following:

(A) Is located in a city with a population of more than 13,000 and less than 14,000 and is located in a county with a population of more than 1,000,000 and less than 1,300,000.

(B) Contains only all or a portion of an industrial site of 300 or more contiguous acres.

(*iii*) All of the following:

(A) Is located in a township with a population of more than 5,500 and is located in a county with a population of less than 24,000.

(B) Contains only all or a portion of an industrial site of more than 850 acres and has railroad access.

(*iv*) All of the following:

(A) Is located in a city with a population of more than 40,000 and less than 44,000 and is located in a county with a population of more than 81,000 and less than 87,000.

(B) Contains only all or a portion of an industrial site of more than 475 acres.

(*v*) All of the following:

(A) Is located in a city with a population of more than 21,000 and less than 26,000 and is located in a county with a population of more than 573,000 and less than 625,000.

(B) Contains only all or a portion of an industrial site of less than 45 acres in size.

(*vi*) All of the following:

(A) Is located in a city with a population of more than 190,000 and less than 250,000 and is located in a county with a population of more than 573,000 and less than 625,000.

(B) Contains only all or a portion of an industrial site of more than 14 acres and less than 16 acres in size.

(C) Is approved by the board of the Michigan strategic fund on or before April 1, 2007.

(*vii*) All of the following:

(A) Is located in a city with a population of more than 35,500 and less than 36,800 and is located in a county with a population of more than 157,000 and less than 162,000.

(B) Contains only all or a portion of an industrial site comprised of 1 or more adjacent parcels totaling 5 or more acres.

(C) Is approved by the board of the Michigan strategic fund on or before April 1, 2007.

(*viii*) All of the following:

(A) Is located in a city with a population of more than 40,000 and less than 44,000 and is located in a county with a population of more than 81,000 and less than 87,000.

(B) Contains only all or a portion of an industrial site composed of 1 or more adjacent parcels totaling 100 or more acres.

(C) Is approved by the board of the Michigan strategic fund on or before April 1, 2008.

Conditional effective date.

Enacting section 1. This amendatory act does not take effect unless Senate Bill No. 885 of the 94th Legislature is enacted into law.

This act is ordered to take immediate effect.
Approved April 29, 2008.
Filed with Secretary of State April 29, 2008.

Compiler's note: Senate Bill No. 885, referred to in enacting section 1, was filed with the Secretary of State April 29, 2008, and became 2008 PA 117, Imd. Eff. Apr. 29, 2008.

[No. 117]

(SB 885)

AN ACT to amend 1996 PA 376, entitled "An act to create and expand certain renaissance zones; to foster economic opportunities in this state; to facilitate economic development; to stimulate industrial, commercial, and residential improvements; to prevent physical and infrastructure deterioration of geographic areas in this state; to authorize expenditures; to provide exemptions and credits from certain taxes; to create certain obligations of this state and local governmental units; to require disclosure of certain transactions and gifts; to provide for appropriations; and to prescribe the powers and duties of certain state and local departments, agencies, and officials," by amending sections 3, 8d, 8e, and 10 (MCL 125.2683, 125.2688d, 125.2688e, and 125.2690), section 3 as amended by 2006 PA 304, section 8d as amended by 2006 PA 93, section 8e as added by 2006 PA 270, and section 10 as amended by 2007 PA 186.

The People of the State of Michigan enact:

125.2683 Definitions.

Sec. 3. As used in this act:

(a) "Agricultural processing facility" means 1 or more facilities or operations that transform, package, sort, or grade livestock or livestock products, agricultural commodities, or plants or plant products, excluding forest products, into goods that are used for intermediate or final consumption including goods for nonfood use, and surrounding property.

(b) "Board" means the state administrative board created in 1921 PA 2, MCL 17.1 to 17.3.

(c) "Development plan" means a written plan that addresses the criteria in section 7 and includes all of the following:

(*i*) A map of the proposed renaissance zone that indicates the geographic boundaries, the total area, and the present use and conditions generally of the land and structures within those boundaries.

(*ii*) Evidence of community support and commitment from residential and business interests.

(*iii*) A description of the methods proposed to increase economic opportunity and expansion, facilitate infrastructure improvement, and identify job training opportunities.

(*iv*) Current social, economic, and demographic characteristics of the proposed renaissance zone and anticipated improvements in education, health, human services, public safety, and employment if the renaissance zone is created.

(*v*) Any other information required by the board.

(d) "Elected county executive" means the elected county executive in a county organized under 1966 PA 293, MCL 45.501 to 45.521, or 1973 PA 139, MCL 45.551 to 45.573.

(e) "Forest products processing facility" means 1 or more facilities or operations that transform, package, sort, recycle, or grade forest or paper products into goods that are used for intermediate or final use or consumption or for the creation of biomass or alternative fuels through the utilization of forest products or forest residue, and surrounding property. Forest products processing facility does not include an existing facility or operation that is located in this state that relocates to a renaissance zone for a forest products processing facility. Forest products processing facility does not include a facility or operation that engages primarily in retail sales.

(f) "Local governmental unit" means a county, city, village, or township.

(g) "Person" means an individual, partnership, corporation, association, limited liability company, governmental entity, or other legal entity.

(h) "Qualified local governmental unit" means either of the following:

(*i*) A county.

(*ii*) A city, village, or township that contains an eligible distressed area as defined in section 11 of the state housing development authority act of 1966, 1966 PA 346, MCL 125.1411.

(i) "Recovery zone" means a tool and die renaissance recovery zone created in section 8d.

(j) "Renaissance zone" means a geographic area designated under this act.

(k) "Renewable energy facility" means a system that creates energy from a process using agricultural crops or processed products from agricultural crops; residues from agricultural products, forest products, paper products industries, and food production and processing; trees and grasses grown specifically to be used as energy crops; and gaseous fuels produced from solid biomass, animal wastes, or landfills.

(*l*) "Residential rental property" means that term as defined in section 7ff of the general property tax act, 1893 PA 206, MCL 211.7ff.

(m) "Review board" means the renaissance zone review board created in section 5.

(n) "Rural area" means an area that lies outside of the boundaries of an urban area.

(o) "Urban area" means an urbanized area as determined by the economics and statistics administration, United States bureau of the census according to the 1990 census.

125.2688d Tool and die renaissance recovery zones; definitions.

Sec. 8d. (1) The board of the Michigan strategic fund described in section 4 of the Michigan strategic fund act, 1984 PA 270, MCL 125.2004, may designate not more than 25 tool and die renaissance recovery zones within this state in 1 or more cities, villages, or townships if that city, village, or township or combination of cities, villages, or townships consents to the creation of a recovery zone within their boundaries. A recovery zone shall have a duration of renaissance zone status for a period of not less than 5 years and not more than 15 years as determined by the board of the Michigan strategic fund. If the Michigan strategic fund determines that the duration of renaissance zone status for a recovery zone is less than 15 years, then the Michigan strategic fund, with the consent of the city, village, or township or combination of cities, villages, or townships in which the qualified tool and die business is located, may extend the duration of renaissance zone status for the recovery zone for 1 or more periods that when combined do not exceed 15 years. Not less than 1 of the recovery zones shall consist of 1 or more qualified tool and die businesses that have a North American industrial classification system (NAICS) of 332997.

(2) The board of the Michigan strategic fund may designate a recovery zone within this state if the recovery zone consists of not less than 4 and not more than 20 qualified tool and die businesses at the time of designation. If the board of the Michigan strategic fund designated 1 or more recovery zones that contain less than 20 qualified tool and die businesses before December 19, 2005, the board of the Michigan strategic fund may add additional qualified tool and die businesses to that recovery zone subject to the limitations contained in this subsection. A recovery zone shall consist of only qualified tool and die business property. The board of the Michigan strategic fund may combine existing recovery zones that are comprised solely of tool and die businesses that are parties to the same qualified collaborative agreement. Where 2 or more recovery zones have been combined, the board of the Michigan strategic fund may continue to designate additional recovery zones, provided that no more than 25 tool and die recovery zones exist at 1 time.

(3) The board of the Michigan strategic fund may revoke the designation of all or a portion of a recovery zone with respect to 1 or more qualified tool and die businesses if those qualified tool and die businesses fail or cease to participate in or comply with a qualified collaborative agreement. A qualified tool and die business may enter into another qualified collaborative agreement once it is designated part of a recovery zone.

(4) One or more qualified tool and die businesses subject to a qualified collaborative agreement may merge into another group of qualified tool and die businesses subject to a different qualified collaborative agreement upon application to and approval by the Michigan strategic fund.

(5) A qualified tool and die business in a recovery zone may have a different period of renaissance zone status than other qualified tool and die businesses in the same recovery zone.

(6) The board of the Michigan strategic fund may modify an existing recovery zone to add 1 or more qualified tool and die businesses with the consent of all other qualified tool and die businesses that are participating in the recovery zone.

(7) The board of the Michigan strategic fund may modify an existing recovery zone to add additional property under the same terms and conditions as the existing recovery zone if all of the following are met:

(a) The additional real property is contiguous to existing qualified tool and die business property and will become qualified tool and die business property once it is brought into operation as determined by the board of the Michigan strategic fund.

(b) The city, village, or township in which the qualified tool and die business is located consents to the modification.

(8) As used in this section:

(a) "Qualified collaborative agreement" means an agreement that demonstrates synergistic opportunities, including, but not limited to, all of the following:

(*i*) Sales and marketing efforts.

(*ii*) Development of standardized processes.

(*iii*) Development of tooling standards.

(*iv*) Standardized project management methods.

(*v*) Improved ability for specialized or small niche shops to develop expertise and compete successfully on larger programs.

(b) "Qualified tool and die business" means a business entity that meets all of the following:

(*i*) Has a North American industrial classification system (NAICS) of 332997, 333511, 333512, 333513, 333514, or 333515; or has a North American industrial classification system (NAICS) of 337215 and operates a facility within an existing renaissance zone, which facility is adjacent to real property not located in a renaissance zone and is located within 1/4 mile of a Michigan technical education center.

(*ii*) Has entered into a qualified collaboration agreement as approved by the Michigan strategic fund consisting of not fewer than 4 or more than 20 other business entities at the time of designation that have a North American industrial classification system (NAICS) of 332997, 333511, 333512, 333513, 333514, or 333515.

(*iii*) Has fewer than 75 full-time employees.

(c) "Qualified tool and die business property" means 1 or more of the following:

(*i*) Property owned by 1 or more qualified tool and die businesses and used by those qualified tool and die businesses primarily for tool and die business operations. Qualified tool and die business property is used primarily for tool and die business operations if the qualified tool and die businesses that own the qualified tool and die business property generate 75% or more of the qualified tool and die businesses' gross revenue from tool and die operations that take place on the qualified tool and die business property at the time of designation.

(*ii*) Property leased by 1 or more qualified tool and die business for which the qualified tool and die business is liable for ad valorem property taxes and which is used by those qualified tool and die businesses primarily for tool and die business operations. Qualified tool and die business property is used primarily for tool and die business operations if the qualified tool and die businesses that lease the qualified tool and die business property generate 75% or more of the qualified tool and die businesses' gross revenue from tool and die operations that take place on the qualified tool and die business property at the time of designation. The qualified tool and die business shall furnish proof of its ad valorem property tax liability to the department of treasury.

125.2688e Designation of additional renaissance zones for renewable energy facilities.

Sec. 8e. (1) The board, upon recommendation of the board of the Michigan strategic fund defined in section 4 of the Michigan strategic fund act, 1984 PA 270, MCL 125.2004, and upon recommendation of the commission of agriculture if the renewable energy facility uses agricultural crops or residues, or processed products from agricultural crops as its primary raw material source, may designate not more than 10 additional renaissance zones for renewable energy facilities within this state in 1 or more cities, villages, or townships if that city,

village, or township or combination of cities, villages, or townships consents to the creation of a renaissance zone for a renewable energy facility within their boundaries.

(2) Each renaissance zone designated for a renewable energy facility under this section shall be 1 continuous distinct geographic area.

(3) The board may revoke the designation of all or a portion of a renaissance zone for a renewable energy facility if the board determines that the renewable energy facility does 1 or more of the following in a renaissance zone designated under this section:

(a) Fails to commence operation.

(b) Ceases operation.

(c) Fails to commence construction or renovation within 1 year from the date the renaissance zone for the renewable energy facility is designated.

(4) When designating a renaissance zone for a renewable energy facility, the board shall consider all of the following:

(a) The economic impact on local suppliers who supply raw materials, goods, and services to the renewable energy facility.

(b) The creation of jobs relative to the employment base of the community rather than the static number of jobs created.

(c) The viability of the project.

(d) The economic impact on the community in which the renewable energy facility is located.

(e) All other things being equal, giving preference to a business entity already located in this state.

(f) Whether the renewable energy facility can be located in an existing renaissance zone designated under section 8 or 8a.

(5) Beginning on July 7, 2006, the board shall require a development agreement between the Michigan strategic fund and the renewable energy facility.

(6) Until the maximum number of additional renaissance zones for renewable energy facilities described in subsection (1) is met, if the board designates a renaissance zone under this section, section 8c, or section 8f for a facility that is a forest products processing facility or an agricultural processing facility and that also meets the definition of a renewable energy facility, then the board shall only designate that renaissance zone as a renaissance zone for a renewable energy facility under this section.

(7) As used in this section, "development agreement" means a written agreement between the Michigan strategic fund and the renewable energy facility that includes, but is not limited to, all of the following:

(a) A requirement that the renewable energy facility comply with all state and local laws.

(b) A requirement that the renewable energy facility report annually to the Michigan strategic fund on all of the following:

(*i*) The amount of capital investment made at the facility.

(*ii*) The number of individuals employed at the facility at the beginning and end of the reporting period as well as the number of individuals transferred to the facility from another facility owned by the renewable energy facility.

(*iii*) The percentage of raw materials purchased in this state.

(c) Any other conditions or requirements reasonably required by the Michigan strategic fund.

125.2690 Individuals or businesses ineligible for exemption, deduction, or credit; limitations; effect of failure to file return.

Sec. 10. (1) An individual who is a resident of a renaissance zone or a business that is located and conducts business activity within a renaissance zone or a person that owns property located in a renaissance zone is not eligible for the exemption, deduction, or credit listed in section 9(1) or (2) for that taxable year if 1 or more of the following apply:

(a) The resident, business, or property owner is delinquent on December 31 of the prior tax year under 1 or more of the following:

(*i*) Former 1975 PA 228 or the Michigan business tax act, 2007 PA 36, MCL 208.1101 to 208.1601.

(*ii*) The income tax act of 1967, 1967 PA 281, MCL 206.1 to 206.532.

(*iii*) 1974 PA 198, MCL 207.551 to 207.572.

(*iv*) The commercial redevelopment act, 1978 PA 255, MCL 207.651 to 207.668.

(*v*) The enterprise zone act, 1985 PA 224, MCL 125.2101 to 125.2123.

(*vi*) 1953 PA 189, MCL 211.181 to 211.182.

(*vii*) The technology park development act, 1984 PA 385, MCL 207.701 to 207.718.

(*viii*) Part 511 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.51101 to 324.51120.

(*ix*) The neighborhood enterprise zone act, 1992 PA 147, MCL 207.771 to 207.786.

(*x*) The city utility users tax act, 1990 PA 100, MCL 141.1151 to 141.1177.

(b) The resident, business, or property owner is substantially delinquent as defined in a written policy by the qualified local governmental unit in which the renaissance zone is located on December 31 of the prior tax year under 1 or both of the following:

(*i*) The city income tax act, 1964 PA 284, MCL 141.501 to 141.787.

(*ii*) Taxes, fees, and special assessments collected under the general property tax act, 1893 PA 206, MCL 211.1 to 211.155.

(c) For residential rental property in a renaissance zone, the residential rental property is not in substantial compliance with all applicable state and local zoning, building, and housing laws, ordinances, or codes and, except as otherwise provided in this subdivision, the residential rental property owner has not filed an affidavit before December 31 in the immediately preceding tax year with the local tax collecting unit in which the residential rental property is located as required under section 7ff of the general property tax act, 1893 PA 206, MCL 211.7ff. Beginning December 31, 2004, a residential rental property owner is not required to file an affidavit if the qualified local governmental unit in which the residential rental property is located determines that the residential rental property is in substantial compliance with all applicable state and local zoning, building, and housing laws, ordinances, and codes on December 31 of the immediately preceding tax year.

(2) An individual who is a resident of a renaissance zone is eligible for an exemption, deduction, or credit under section 9(1) and (2) until the department of treasury determines that the aggregate state and local tax revenue forgone as a result of all exemptions, deductions, or credits granted under this act to that individual reaches $10,000,000.00.

(3) A casino located and conducting business activity within a renaissance zone is not eligible for the exemption, deduction, or credit listed in section 9(1) or (2). Real property in a renaissance zone on which a casino is operated, personal property of a casino located in a renaissance zone, and all property associated or affiliated with the operation of a casino is not eligible for the exemption, deduction, or credit listed in section 9(1) or (2). As used in this subsection, "casino" means a casino or a parking lot, hotel, motel, or retail store owned or

operated by a casino, an affiliate, or an affiliated company, regulated by this state pursuant to the Michigan gaming control and revenue act, 1996 IL 1, MCL 432.201 to 432.226.

(4) For tax years beginning on or after January 1, 1997, an individual who is a resident of a renaissance zone shall not be denied the exemption under subsection (1) if the individual failed to file a return on or before December 31 of the prior tax year under subsection (1)(a)(*ii*) and that individual was entitled to a refund under that act.

(5) For tax years beginning on or after January 1, 2006, a business that is located and conducts business activity within a renaissance zone shall not be denied the exemption under subsection (1) if the business failed to file a return on or before December 31 of the prior tax year under subsection (1)(a)(*i*) and that business had no tax liability under that act for the tax year for which the return was not filed.

This act is ordered to take immediate effect.
Approved April 29, 2008.
Filed with Secretary of State April 29, 2008.

[No. 118]

(HB 5459)

AN ACT to amend 2005 PA 210, entitled "An act to provide for the establishment of commercial rehabilitation districts in certain local governmental units; to provide for the exemption from certain taxes; to levy and collect a specific tax upon the owners of certain qualified facilities; 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 certain local governmental officials; and to provide penalties," by amending section 2 (MCL 207.842), as amended by 2008 PA 3.

The People of the State of Michigan enact:

207.842 Definitions.

Sec. 2. As used in this act:

(a) "Commercial property" means land improvements classified by law for general ad valorem tax purposes as real property including real property assessable as personal property pursuant to sections 8(d) and 14(6) of the general property tax act, 1893 PA 206, MCL 211.8 and 211.14, the primary purpose and use of which is the operation of a commercial business enterprise or multifamily residential use. Commercial property shall also include facilities related to a commercial business enterprise under the same ownership at that location, including, but not limited to, office, engineering, research and development, warehousing, parts distribution, retail sales, and other commercial activities. Commercial property also includes a building or group of contiguous buildings previously used for industrial purposes that will be converted to the operation of a commercial business enterprise. Commercial property does not include any of the following:

(*i*) Land.

(*ii*) Property of a public utility.

(b) "Commercial rehabilitation district" or "district" means an area not less than 3 acres in size of a qualified local governmental unit established as provided in section 3. However, if the commercial rehabilitation district is located in a downtown or business area as determined by the legislative body of the qualified local governmental unit, the district may be less than 3 acres in size.

(c) "Commercial rehabilitation exemption certificate" or "certificate" means the certificate issued under section 6.

(d) "Commercial rehabilitation tax" means the specific tax levied under this act.

(e) "Commission" means the state tax commission created by 1927 PA 360, MCL 209.101 to 209.107.

(f) "Department" means the department of treasury.

(g) "Multifamily residential use" means multifamily housing consisting of 5 or more units.

(h) "Qualified facility" means a building or group of contiguous buildings of commercial property that is 15 years old or older or has been allocated for a new markets tax credit under section 45d of the internal revenue code, 26 USC 45d. Qualified facility also includes vacant property located in a city with a population of more than 36,000 and less than 37,000 according to the 2000 federal decennial census and from which a previous structure has been demolished and on which commercial property will be newly constructed. A qualified facility does not include property that is to be used as a professional sports stadium. A qualified facility does not include property that is to be used as a casino. As used in this subdivision, "casino" means a casino or a parking lot, hotel, motel, or retail store owned or operated by a casino, an affiliate, or an affiliated company, regulated by this state pursuant to the Michigan gaming control and revenue act, 1996 IL 1, MCL 432.201 to 432.226.

(i) "Qualified local governmental unit" means a city, village, or township.

(j) "Rehabilitation" means changes to a qualified facility that are required to restore or modify the property, together with all appurtenances, to an economically efficient condition. Rehabilitation includes major renovation and modification including, but not necessarily limited to, the improvement of floor loads, correction of deficient or excessive height, new or improved fixed 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, and other physical changes required to restore or change the property to an economically efficient condition. Rehabilitation also includes new construction on vacant property from which a previous structure has been demolished and if the new construction is an economic benefit to the local community as determined by the qualified local governmental unit. Rehabilitation shall not include improvements aggregating less than 10% of the true cash value of the property at commencement of the rehabilitation of the qualified facility.

(k) "Taxable value" means the value determined under section 27a of the general property tax act, 1893 PA 206, MCL 211.27a.

This act is ordered to take immediate effect.
Approved April 29, 2008.
Filed with Secretary of State April 29, 2008.

[No. 119]

(HB 5607)

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," (MCL 324.101 to 324.90106) by adding section 80114a.

The People of the State of Michigan enact:

324.80114a Prohibition against operation of motorized vessel; exemption; marine exemption certificate; physician's attestation.

Sec. 80114a. (1) A marine law that prohibits the operation of a motorized vessel on a portion of the waterways of this state shall not be enforced against an individual who meets all of the following qualifications:

(a) The individual has a disability that prevents him or her from rowing or paddling a vessel.

(b) The individual has in his or her possession a marine exemption certificate.

(c) The individual is operating a noncommercial vessel at slow—no wake speed using an electric motor that is rated at 100 pounds of thrust or less.

(2) This section does not exempt an individual from compliance with any other marine law.

(3) An individual may obtain a marine exemption certificate from either the department or a sheriff's department by presenting a physician's attestation that the physician has examined the individual and determined that the individual has a disability that prevents him or her from rowing or paddling a vessel.

(4) The department shall develop and make available for use as prescribed in this section a physician's attestation form and a marine exemption certificate.

This act is ordered to take immediate effect.
Approved April 29, 2008.
Filed with Secretary of State April 29, 2008.

[No. 120]

(SB 415)

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 9205b.

The People of the State of Michigan enact:

333.9205b Risks of human papillomavirus; availability of materials; definitions.

Sec. 9205b. (1) The department shall identify materials that contain information regarding the risks associated with human papillomavirus and the availability, effectiveness, and potential risks of immunization for human papillomavirus. The department shall notify each public school, public school academy, and nonpublic school in this state of the availability of the materials described in this subsection and shall post the materials on its website.

(2) The department shall encourage each public school, public school academy, and nonpublic school in this state to provide or make available to parents of students attending the school information regarding the risks associated with human papillomavirus and the availability, effectiveness, and potential risks of immunization for human papillomavirus.

(3) As used in this section, "public school", "public school academy", and "nonpublic school" mean those terms as defined in section 5 of the revised school code, 1976 PA 451, MCL 380.5.

This act is ordered to take immediate effect.
Approved May 8, 2008.
Filed with Secretary of State May 9, 2008.

[No. 121]

(HB 5322)

AN ACT to amend 1976 PA 451, entitled "An act to provide a system of public instruction and elementary and secondary schools; to revise, consolidate, and clarify the laws relating to elementary and secondary education; to provide for the organization, regulation, and maintenance of schools, school districts, public school academies, intermediate school districts, and other public school entities; to prescribe rights, powers, duties, and privileges of schools, school districts, public school academies, intermediate school districts, and other public school entities; to provide for the regulation of school teachers and certain other school employees; to provide for school elections and to prescribe powers and duties with respect thereto; to provide for the levy and collection of taxes; to provide for the borrowing of money and issuance of bonds and other evidences of indebtedness; to establish a fund and provide for expenditures from that fund; to provide for and prescribe the powers and duties of certain state departments, the state board of education, and certain other boards and officials; to provide for licensure of boarding schools; to prescribe penalties; and to repeal acts and parts of acts," by amending section 1177a (MCL 380.1177a), as added by 2005 PA 240.

The People of the State of Michigan enact:

380.1177a Meningococcal meningitis; human papillomavirus; vaccines; information to be provided to parents and guardians.

Sec. 1177a. (1) If, at the beginning of a school year, the board of a school district or board of directors of a public school academy provides information on immunizations, infectious disease, medications, or other school health issues to parents and guardians of pupils in at least grades 6, 9, and 12, then with that information the board or board of directors shall include information about meningococcal meningitis and the vaccine for meningococcal meningitis. The information shall include at least the causes and symptoms of meningococcal meningitis, how it is spread, and sources where parents and guardians may obtain additional information about meningococcal meningitis and may obtain vaccination of a child against meningococcal meningitis.

(2) If, at the beginning of a school year, the board of a school district or board of directors of a public school academy provides information on immunizations, infectious disease, medications, or other school health issues to parents and guardians of pupils in at least grades 6, 9, and 12, then with that information the board or board of directors shall include information about human papillomavirus and the vaccine for human papillomavirus. The information shall include at least the risks associated with human papillomavirus; the availability, effectiveness, and potential risks of immunization for human papillomavirus; and sources where parents and guardians may obtain additional information about human papillomavirus and may obtain vaccination of a child against human papillomavirus.

(3) The department, in cooperation with the department of community health, shall develop and make available to school districts, public school academies, and nonpublic schools information that meets the requirements of subsections (1) and (2). The department shall do this in the manner the department determines to be the most cost-effective and programmatically effective, which shall include at least posting the information on its website.

This act is ordered to take immediate effect.
Approved May 8, 2008.
Filed with Secretary of State May 9, 2008.

[No. 122]

(SB 209)

AN ACT to amend 1893 PA 206, entitled "An act to provide for the assessment of rights and interests, including leasehold interests, in property and the levy and collection of taxes on property, and for the collection of taxes levied; making those taxes a lien on the property taxed, establishing and continuing the lien, providing for the sale or forfeiture and conveyance of property delinquent for taxes, and for the inspection and disposition of lands bid off to the state and not redeemed or purchased; to provide for the establishment of a delinquent tax revolving fund and the borrowing of money by counties and the issuance of notes; to define and limit the jurisdiction of the courts in proceedings in connection with property delinquent for taxes; to limit the time within which actions may be brought; to prescribe certain limitations with respect to rates of taxation; to prescribe certain powers and duties of certain officers, departments, agencies, and political subdivisions of this state; to provide for certain reimbursements of certain expenses incurred by units of local government; to provide penalties for the violation of this act; and to repeal acts and parts of acts," by amending section 53b (MCL 211.53b), as amended by 2006 PA 378.

The People of the State of Michigan enact:

211.53b Qualified error; verification, approval, and affidavit; correction of records; rebate; notice and payment; initiation of action; actions of board of review; exemption; appeal; alternative meeting dates; "qualified error" defined.

Sec. 53b. (1) If there has been a qualified error, the qualified error shall be verified by the local assessing officer and approved by the board of review. Except as otherwise provided in subsection (7), the board of review shall meet for the purposes of this section on Tuesday following the second Monday in December and, for summer property taxes, on Tuesday following the third Monday in July. Except as otherwise provided in subsection (7), if there is not a levy of summer property taxes, the board of review may meet for the purposes of this section on Tuesday following the third Monday in July. If approved, the board of review shall file an affidavit within 30 days relative to the qualified error with the proper officials and all affected official records shall be corrected. If the qualified error results in an overpayment or underpayment, the rebate, including any interest paid, shall be made to the taxpayer or the taxpayer shall be notified and payment made within 30 days of the notice. A rebate shall be without interest. The treasurer in possession of the appropriate tax roll may deduct the rebate from the appropriate tax collecting unit's subsequent distribution of taxes. The treasurer in possession of the appropriate tax roll shall bill to the appropriate tax collecting unit the tax collecting unit's share of taxes rebated. Except as otherwise provided in subsection (6) and section 27a(4), a correction under this subsection may be made in the year in which the qualified error was made or in the following year only.

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

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

(4) If an exemption under section 7cc is granted by the board of review under this section, the provisions of section 7cc apply. If an exemption under section 7cc is not granted by the board of review under this section, the owner may appeal that decision in writing to the department of treasury within 35 days of the board of review's denial and the appeal shall be conducted as provided in section 7cc(8).

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

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

(7) The governing body of the city or township may authorize, by adoption of an ordinance or resolution, 1 or more of the following alternative meeting dates for the purposes of this section:

(a) An alternative meeting date during the week of the second Monday in December.

(b) An alternative meeting date during the week of the third Monday in July.

(8) As used in this section, "qualified error" means 1 or more of the following:

(a) A clerical error relative to the correct assessment figures, the rate of taxation, or the mathematical computation relating to the assessing of taxes.

(b) A mutual mistake of fact.

(c) An adjustment under section 27a(4) or an exemption under section 7hh(3)(b).

(d) For board of review determinations in 2006 through 2009, 1 or more of the following:

(*i*) An error of measurement or calculation of the physical dimensions or components of the real property being assessed.

(*ii*) An error of omission or inclusion of a part of the real property being assessed.

(*iii*) An error regarding the correct taxable status of the real property being assessed.

(*iv*) An error made by the taxpayer in preparing the statement of assessable personal property under section 19.

This act is ordered to take immediate effect.
Approved May 8, 2008.
Filed with Secretary of State May 9, 2008.

[No. 123]

(SB 1161)

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," by amending section 20173a (MCL 333.20173a), as added by 2006 PA 28.

The People of the State of Michigan enact:

333.20173a Health facility or agency that is nursing home, county medical care facility, hospice, hospital that provides swing bed services, home for the aged, or home health agency; employees or applicants for employment; prohibitions; criminal history check; condition of continued employment; failure to conduct criminal history check as misdemeanor; establishment of automated fingerprint identification system database; report to legislature; electronic web-based system; definitions.

Sec. 20173a. (1) Except as otherwise provided in subsection (2), a health facility or agency that is a nursing home, county medical care facility, hospice, hospital that provides swing bed services, home for the aged, or home health agency shall not employ, independently contract with, or grant clinical privileges to an individual who regularly has direct access to or provides direct services to patients or residents in the health facility or agency after April 1, 2006 if the individual satisfies 1 or more of the following:

(a) Has been convicted of a relevant crime described under 42 USC 1320a-7.

(b) Has been convicted of any of the following felonies, an attempt or conspiracy to commit any of those felonies, or any other state or federal crime that is similar to the felonies described in this subdivision, other than a felony for a relevant crime described under 42 USC 1320a-7, unless 15 years have lapsed since the individual completed all of the terms and conditions of his or her sentencing, parole, and probation for that conviction prior to the date of application for employment or clinical privileges or the date of the execution of the independent contract:

(*i*) A felony that involves the intent to cause death or serious impairment of a body function, that results in death or serious impairment of a body function, that involves the use of force or violence, or that involves the threat of the use of force or violence.

(*ii*) A felony involving cruelty or torture.

(*iii*) A felony under chapter XXA of the Michigan penal code, 1931 PA 328, MCL 750.145m to 750.145r.

(*iv*) A felony involving criminal sexual conduct.

(*v*) A felony involving abuse or neglect.

(*vi*) A felony involving the use of a firearm or dangerous weapon.

(*vii*) A felony involving the diversion or adulteration of a prescription drug or other medications.

(c) Has been convicted of a felony or an attempt or conspiracy to commit a felony, other than a felony for a relevant crime described under 42 USC 1320a-7 or a felony described under subdivision (b), unless 10 years have lapsed since the individual completed all of the terms and conditions of his or her sentencing, parole, and probation for that conviction prior to the date of application for employment or clinical privileges or the date of the execution of the independent contract.

(d) Has been convicted of any of the following misdemeanors, other than a misdemeanor for a relevant crime described under 42 USC 1320a-7, or a state or federal crime that is substantially similar to the misdemeanors described in this subdivision, within the 10 years

immediately preceding the date of application for employment or clinical privileges or the date of the execution of the independent contract:

(*i*) A misdemeanor involving the use of a firearm or dangerous weapon with the intent to injure, the use of a firearm or dangerous weapon that results in a personal injury, or a misdemeanor involving the use of force or violence or the threat of the use of force or violence.

(*ii*) A misdemeanor under chapter XXA of the Michigan penal code, 1931 PA 328, MCL 750.145m to 750.145r.

(*iii*) A misdemeanor involving criminal sexual conduct.

(*iv*) A misdemeanor involving cruelty or torture unless otherwise provided under subdivision (e).

(*v*) A misdemeanor involving abuse or neglect.

(e) Has been convicted of any of the following misdemeanors, other than a misdemeanor for a relevant crime described under 42 USC 1320a-7, or a state or federal crime that is substantially similar to the misdemeanors described in this subdivision, within the 5 years immediately preceding the date of application for employment or clinical privileges or the date of the execution of the independent contract:

(*i*) A misdemeanor involving cruelty if committed by an individual who is less than 16 years of age.

(*ii*) A misdemeanor involving home invasion.

(*iii*) A misdemeanor involving embezzlement.

(*iv*) A misdemeanor involving negligent homicide.

(*v*) A misdemeanor involving larceny unless otherwise provided under subdivision (g).

(*vi*) A misdemeanor of retail fraud in the second degree unless otherwise provided under subdivision (g).

(*vii*) Any other misdemeanor involving assault, fraud, theft, or the possession or delivery of a controlled substance unless otherwise provided under subdivision (d), (f), or (g).

(f) Has been convicted of any of the following misdemeanors, other than a misdemeanor for a relevant crime described under 42 USC 1320a-7, or a state or federal crime that is substantially similar to the misdemeanors described in this subdivision, within the 3 years immediately preceding the date of application for employment or clinical privileges or the date of the execution of the independent contract:

(*i*) A misdemeanor for assault if there was no use of a firearm or dangerous weapon and no intent to commit murder or inflict great bodily injury.

(*ii*) A misdemeanor of retail fraud in the third degree unless otherwise provided under subdivision (g).

(*iii*) A misdemeanor under part 74 unless otherwise provided under subdivision (g).

(g) Has been convicted of any of the following misdemeanors, other than a misdemeanor for a relevant crime described under 42 USC 1320a-7, or a state or federal crime that is substantially similar to the misdemeanors described in this subdivision, within the year immediately preceding the date of application for employment or clinical privileges or the date of the execution of the independent contract:

(*i*) A misdemeanor under part 74 if the individual, at the time of conviction, is under the age of 18.

(*ii*) A misdemeanor for larceny or retail fraud in the second or third degree if the individual, at the time of conviction, is under the age of 16.

(h) Is the subject of an order or disposition under section 16b of chapter IX of the code of criminal procedure, 1927 PA 175, MCL 769.16b.

(i) Has been the subject of a substantiated finding of neglect, abuse, or misappropriation of property by a state or federal agency pursuant to an investigation conducted in accordance with 42 USC 1395i-3 or 1396r.

(2) Except as otherwise provided in subsection (5), a health facility or agency that is a nursing home, county medical care facility, hospice, hospital that provides swing bed services, home for the aged, or home health agency shall not employ, independently contract with, or grant privileges to an individual who regularly has direct access to or provides direct services to patients or residents in the health facility or agency after April 1, 2006 until the health facility or agency conducts a criminal history check in compliance with subsection (4). This subsection and subsection (1) do not apply to any of the following:

(a) An individual who is employed by, under independent contract to, or granted clinical privileges in a health facility or agency before April 1, 2006. Beginning April 1, 2009, an individual who is exempt under this subdivision shall provide the department of state police with a set of fingerprints and the department of state police shall input those fingerprints into the automated fingerprint identification system database established under subsection (12). An individual who is exempt under this subdivision is not limited to working within the health facility or agency with which he or she is employed by, under independent contract to, or granted clinical privileges on April 1, 2006. That individual may transfer to another health facility or agency that is under the same ownership with which he or she was employed, under contract, or granted privileges. If that individual wishes to transfer to another health facility or agency that is not under the same ownership, he or she may do so provided that a criminal history check is conducted by the new health facility or agency in accordance with subsection (4). If an individual who is exempt under this subdivision is subsequently convicted of a crime described under subsection (1)(a) to (g) or found to be the subject of a substantiated finding described under subsection (1)(i) or an order or disposition described under subsection (1)(h), or is found to have been convicted of a relevant crime described under subsection (1)(a), then he or she is no longer exempt and shall be terminated from employment or denied employment.

(b) An individual who is an independent contractor with a health facility or agency that is a nursing home, county medical care facility, hospice, hospital that provides swing bed services, home for the aged, or home health agency if the services for which he or she is contracted is not directly related to the provision of services to a patient or resident or if the services for which he or she is contracted allows for direct access to the patients or residents but is not performed on an ongoing basis. This exception includes, but is not limited to, an individual who independently contracts with the health facility or agency to provide utility, maintenance, construction, or communications services.

(3) An individual who applies for employment either as an employee or as an independent contractor or for clinical privileges with a health facility or agency that is a nursing home, county medical care facility, hospice, hospital that provides swing bed services, home for the aged, or home health agency and has received a good faith offer of employment, an independent contract, or clinical privileges from the health facility or agency shall give written consent at the time of application for the department of state police to conduct an initial criminal history check under this section, along with identification acceptable to the department of state police.

(4) Upon receipt of the written consent and identification required under subsection (3), a health facility or agency that is a nursing home, county medical care facility, hospice, hospital that provides swing bed services, home for the aged, or home health agency that has

made a good faith offer of employment or an independent contract or clinical privileges to the applicant shall make a request to the department of state police to conduct a criminal history check on the applicant, to input the applicant's fingerprints into the automated fingerprint identification system database, and to forward the applicant's fingerprints to the federal bureau of investigation. The department of state police shall request the federal bureau of investigation to make a determination of the existence of any national criminal history pertaining to the applicant. The applicant shall provide the department of state police with a set of fingerprints. The request shall be made in a manner prescribed by the department of state police. The health facility or agency shall make the written consent and identification available to the department of state police. The health facility or agency shall make a request to the relevant licensing or regulatory department to conduct a check of all relevant registries established pursuant to federal and state law and regulations for any substantiated findings of abuse, neglect, or misappropriation of property. If the department of state police or the federal bureau of investigation charges a fee for conducting the initial criminal history check, the charge shall be paid by or reimbursed by the department with federal funds as provided to implement a pilot program for national and state background checks on direct patient access employees of long-term care facilities or providers in accordance with section 307 of the medicare prescription drug, improvement, and modernization act of 2003, Public Law 108-173. The health facility or agency shall not seek reimbursement for a charge imposed by the department of state police or the federal bureau of investigation from the individual who is the subject of the initial criminal history check. A health facility or agency, a prospective employee, or a prospective independent contractor covered under this section may not be charged for the cost of an initial criminal history check required under this section. The department of state police shall conduct a criminal history check on the applicant named in the request. The department of state police shall provide the department with a written report of the criminal history check conducted under this subsection if the criminal history check contains any criminal history record information. The report shall contain any criminal history record information on the applicant maintained by the department of state police. The department of state police shall provide the results of the federal bureau of investigation determination to the department within 30 days after the request is made. If the requesting health facility or agency is not a state department or agency and if a criminal conviction is disclosed on the written report of the criminal history check or the federal bureau of investigation determination, the department shall notify the health facility or agency and the applicant in writing of the type of crime disclosed on the written report of the criminal history check or the federal bureau of investigation determination without disclosing the details of the crime. Any charges imposed by the department of state police or the federal bureau of investigation for conducting an initial criminal history check or making a determination under this subsection shall be paid in the manner required under this subsection. The notice shall include a statement that the applicant has a right to appeal a decision made by the health facility or agency regarding his or her employment eligibility based on the criminal background check. The notice shall also include information regarding where to file and describing the appellate procedures established under section 20173b.

(5) If a health facility or agency that is a nursing home, county medical care facility, hospice, hospital that provides swing bed services, home for the aged, or home health agency determines it necessary to employ or grant clinical privileges to an applicant before receiving the results of the applicant's criminal history check under this section, the health facility or agency may conditionally employ or grant conditional clinical privileges to the individual if all of the following apply:

(a) The health facility or agency requests the criminal history check under this section upon conditionally employing or conditionally granting clinical privileges to the individual.

(b) The individual signs a statement in writing that indicates all of the following:

(*i*) That he or she has not been convicted of 1 or more of the crimes that are described in subsection (1)(a) to (g) within the applicable time period prescribed by each subdivision respectively.

(*ii*) That he or she is not the subject of an order or disposition described in subsection (1)(h).

(*iii*) That he or she has not been the subject of a substantiated finding as described in subsection (1)(i).

(*iv*) The individual agrees that, if the information in the criminal history check conducted under this section does not confirm the individual's statements under subparagraphs (*i*) to (*iii*), his or her employment or clinical privileges will be terminated by the health facility or agency as required under subsection (1) unless and until the individual appeals and can prove that the information is incorrect.

(*v*) That he or she understands the conditions described in subparagraphs (*i*) to (*iv*) that result in the termination of his or her employment or clinical privileges and that those conditions are good cause for termination.

(6) The department shall develop and distribute a model form for the statement required under subsection (5)(b). The department shall make the model form available to health facilities or agencies subject to this section upon request at no charge.

(7) If an individual is employed as a conditional employee or is granted conditional clinical privileges under subsection (5), and the report described in subsection (4) does not confirm the individual's statement under subsection (5)(b)(*i*) to (*iii*), the health facility or agency shall terminate the individual's employment or clinical privileges as required by subsection (1).

(8) An individual who knowingly provides false information regarding his or her identity, criminal convictions, or substantiated findings on a statement described in subsection (5)(b)(*i*) to (*iii*) is guilty of a misdemeanor punishable by imprisonment for not more than 93 days or a fine of not more than $500.00, or both.

(9) A health facility or agency that is a nursing home, county medical care facility, hospice, hospital that provides swing bed services, home for the aged, or home health agency shall use criminal history record information obtained under subsection (4) only for the purpose of evaluating an applicant's qualifications for employment, an independent contract, or clinical privileges in the position for which he or she has applied and for the purposes of subsections (5) and (7). A health facility or agency or an employee of the health facility or agency shall not disclose criminal history record information obtained under subsection (4) to a person who is not directly involved in evaluating the applicant's qualifications for employment, an independent contract, or clinical privileges. An individual who knowingly uses or disseminates the criminal history record information obtained under subsection (4) in violation of this subsection is guilty of a misdemeanor punishable by imprisonment for not more than 93 days or a fine of not more than $1,000.00, or both. Upon written request from another health facility or agency, psychiatric facility or intermediate care facility for people with mental retardation, or adult foster care facility that is considering employing, independently contracting with, or granting clinical privileges to an individual, a health facility or agency that has obtained criminal history record information under this section on that individual shall, with the consent of the applicant, share the information with the requesting health facility or agency, psychiatric facility or intermediate care facility for people with mental retardation, or adult foster care facility. Except for a knowing or intentional release of false information, a health facility or agency has no liability in connection with a criminal background check conducted under this section or the release of criminal history record information under this subsection.

(10) As a condition of continued employment, each employee, independent contractor, or individual granted clinical privileges shall do each of the following:

(a) Agree in writing to report to the health facility or agency immediately upon being arraigned for 1 or more of the criminal offenses listed in subsection (1)(a) to (g), upon being convicted of 1 or more of the criminal offenses listed in subsection (1)(a) to (g), upon becoming the subject of an order or disposition described under subsection (1)(h), and upon being the subject of a substantiated finding of neglect, abuse, or misappropriation of property as described in subsection (1)(i). Reporting of an arraignment under this subdivision is not cause for termination or denial of employment.

(b) If a set of fingerprints is not already on file with the department of state police, provide the department of state police with a set of fingerprints.

(11) In addition to sanctions set forth in section 20165, a licensee, owner, administrator, or operator of a nursing home, county medical care facility, hospice, hospital that provides swing bed services, home for the aged, or home health agency who knowingly and willfully fails to conduct the criminal history checks as required under this section is guilty of a misdemeanor punishable by imprisonment for not more than 1 year or a fine of not more than $5,000.00, or both.

(12) In collaboration with the department of state police, the department of information technology shall establish an automated fingerprint identification system database that would allow the department of state police to store and maintain all fingerprints submitted under this section and would provide for an automatic notification if and when a subsequent criminal arrest fingerprint card submitted into the system matches a set of fingerprints previously submitted in accordance with this section. Upon such notification, the department of state police shall immediately notify the department and the department shall immediately contact the respective health facility or agency with which that individual is associated. Information in the database established under this subsection is confidential, is not subject to disclosure under the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246, and shall not be disclosed to any person except for purposes of this act or for law enforcement purposes.

(13) On or before April 1, 2009, the department shall submit a written report to the legislature outlining a plan to cover the costs of the criminal history checks required under this section if federal funding is no longer available or is inadequate to cover those costs.

(14) The department and the department of state police shall maintain an electronic web-based system to assist those health facilities and agencies required to check relevant registries and conduct criminal history checks of its employees and independent contractors and to provide for an automated notice to those health facilities or agencies for those individuals inputted in the system who, since the initial check, have been convicted of a disqualifying offense or have been the subject of a substantiated finding of abuse, neglect, or misappropriation of property.

(15) As used in this section:

(a) "Adult foster care facility" means an adult foster care facility licensed under the adult foster care facility licensing act, 1979 PA 218, MCL 400.701 to 400.737.

(b) "Direct access" means access to a patient or resident or to a patient's or resident's property, financial information, medical records, treatment information, or any other identifying information.

(c) "Home health agency" means a person certified by medicare whose business is to provide to individuals in their places of residence other than in a hospital, nursing home, or county medical care facility 1 or more of the following services: nursing services, therapeutic services, social work services, homemaker services, home health aide services, or other related services.