price index in the calendar year ending in the immediately preceding fiscal year as reported by the May revenue estimating conference conducted under section 367b of the management and budget act, 1984 PA 431, MCL 18.1367b.

(c) For a district that has a foundation allowance that is not a whole dollar amount, the district's foundation allowance shall be rounded up to the nearest whole dollar.

(d) For a district that received a payment under former section 22c for 2001-2002, the district's 2001-2002 foundation allowance shall be considered to have been an amount equal to the sum of the district's actual 2001-2002 foundation allowance as otherwise calculated under this section plus the per pupil amount of the district's equity payment for 2001-2002 under former section 22c.

(4) Except as otherwise provided in this subsection, the state portion of a district's foundation allowance is an amount equal to the district's foundation allowance or $6,500.00, whichever is less, minus the difference between the product of the taxable value per membership pupil of all property in the district that is not a principal residence or qualified agricultural property times the lesser of 18 mills or the number of mills of school operating taxes levied by the district in 1993-94 and the quotient of the ad valorem property tax revenue of the district captured under 1975 PA 197, MCL 125.1651 to 125.1681, the tax increment finance authority act, 1980 PA 450, MCL 125.1801 to 125.1830, the local development financing act, 1986 PA 281, MCL 125.2151 to 125.2174, or the brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672, divided by the district's membership excluding special education pupils. For a district described in subsection (3)(b), the state portion of the district's foundation allowance is an amount equal to $6,962.00 plus the difference between the district's foundation allowance for the current state fiscal year and the district's foundation allowance for 1998-99, minus the difference between the product of the taxable value per membership pupil of all property in the district that is not a principal residence or qualified agricultural property times the lesser of 18 mills or the number of mills of school operating taxes levied by the district in 1993-94 and the quotient of the ad valorem property tax revenue of the district captured under 1975 PA 197, MCL 125.1651 to 125.1681, the tax increment finance authority act, 1980 PA 450, MCL 125.1801 to 125.1830, the local development financing act, 1986 PA 281, MCL 125.2151 to 125.2174, or the brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672, divided by the district's membership excluding special education pupils. For a district that has a millage reduction required under section 31 of article IX of the state constitution of 1963, the state portion of the district's foundation allowance shall be calculated as if that reduction did not occur. The $6,500.00 amount prescribed in this subsection shall be adjusted each year by an amount equal to the dollar amount of the difference between the basic foundation allowance for the current state fiscal year and $5,000.00, minus $200.00.

(5) The allocation calculated under this section for a pupil shall be based on the foundation allowance of the pupil's district of residence. However, for a pupil enrolled in a district other than the pupil's district of residence, if the foundation allowance of the pupil's district of residence has been adjusted pursuant to subsection (19), the allocation calculated under this section shall not include the adjustment described in subsection (19). For a pupil enrolled pursuant to section 105 or 105c in a district other than the pupil's district of residence, the allocation calculated under this section shall be based on the lesser of the foundation allowance of the pupil's district of residence or the foundation allowance of the educating district. For a pupil in membership in a K-5, K-6, or K-8 district who is enrolled in another district in a grade not offered by the pupil's district of residence, the allocation calculated under this section shall be based on the foundation allowance of the educating district if the educating

district's foundation allowance is greater than the foundation allowance of the pupil's district of residence. The calculation under this subsection shall take into account a district's per pupil allocation under section 20j(2).

(6) Subject to subsection (7) and section 22b(3) and except as otherwise provided in this subsection, for pupils in membership, other than special education pupils, in a public school academy or a university school, the allocation calculated under this section is an amount per membership pupil other than special education pupils in the public school academy or university school equal to the sum of the local school operating revenue per membership pupil other than special education pupils for the district in which the public school academy or university school is located and the state portion of that district's foundation allowance, or the sum of the basic foundation allowance under subsection (1) plus $300.00, whichever is less. Notwithstanding section 101(2), for a public school academy that begins operations after the pupil membership count day, the amount per membership pupil calculated under this subsection shall be adjusted by multiplying that amount per membership pupil by the number of hours of pupil instruction provided by the public school academy after it begins operations, as determined by the department, divided by the minimum number of hours of pupil instruction required under section 101(3). The result of this calculation shall not exceed the amount per membership pupil otherwise calculated under this subsection.

(7) If more than 25% of the pupils residing within a district are in membership in 1 or more public school academies located in the district, then the amount per membership pupil calculated under this section for a public school academy located in the district shall be reduced by an amount equal to the difference between the product of the taxable value per membership pupil of all property in the district that is not a principal residence or qualified agricultural property times the lesser of 18 mills or the number of mills of school operating taxes levied by the district in 1993-94 and the quotient of the ad valorem property tax revenue of the district captured under 1975 PA 197, MCL 125.1651 to 125.1681, the tax increment finance authority act, 1980 PA 450, MCL 125.1801 to 125.1830, the local development financing act, 1986 PA 281, MCL 125.2151 to 125.2174, or the brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672, divided by the district's membership excluding special education pupils, in the school fiscal year ending in the current state fiscal year, calculated as if the resident pupils in membership in 1 or more public school academies located in the district were in membership in the district. In order to receive state school aid under this act, a district described in this subsection shall pay to the authorizing body that is the fiscal agent for a public school academy located in the district for forwarding to the public school academy an amount equal to that local school operating revenue per membership pupil for each resident pupil in membership other than special education pupils in the public school academy, as determined by the department.

(8) If a district does not receive an amount calculated under subsection (9); if the number of mills the district may levy on a principal residence and qualified agricultural property under section 1211(1) of the revised school code, MCL 380.1211, is 0.5 mills or less; and if the district elects not to levy those mills, the district instead shall receive a separate supplemental amount calculated under this subsection in an amount equal to the amount the district would have received had it levied those mills, as determined by the department of treasury. A district shall not receive a separate supplemental amount calculated under this subsection for a fiscal year unless in the calendar year ending in the fiscal year the district levies 18 mills or the number of mills of school operating taxes levied by the district in 1993, whichever is less, on property that is not a principal residence or qualified agricultural property.

(9) For a district that had combined state and local revenue per membership pupil in the 1993-94 state fiscal year of more than $6,500.00 and that had fewer than 350 pupils in

membership, if the district elects not to reduce the number of mills from which a principal residence and qualified agricultural property are exempt and not to levy school operating taxes on a principal residence and qualified agricultural property as provided in section 1211(1) of the revised school code, MCL 380.1211, and not to levy school operating taxes on all property as provided in section 1211(2) of the revised school code, MCL 380.1211, there is calculated under this subsection for 1994-95 and each succeeding fiscal year a separate supplemental amount in an amount equal to the amount the district would have received per membership pupil had it levied school operating taxes on a principal residence and qualified agricultural property at the rate authorized for the district under section 1211(1) of the revised school code, MCL 380.1211, and levied school operating taxes on all property at the rate authorized for the district under section 1211(2) of the revised school code, MCL 380.1211, as determined by the department of treasury. If in the calendar year ending in the fiscal year a district does not levy 18 mills or the number of mills of school operating taxes levied by the district in 1993, whichever is less, on property that is not a principal residence or qualified agricultural property, the amount calculated under this subsection will be reduced by the same percentage as the millage actually levied compares to the 18 mills or the number of mills levied in 1993, whichever is less.

(10) Subject to subsection (4), for a district that is formed or reconfigured after June 1, 2002 by consolidation of 2 or more districts or by annexation, the resulting district's foundation allowance under this section beginning after the effective date of the consolidation or annexation shall be the average of the foundation allowances of each of the original or affected districts, calculated as provided in this section, weighted as to the percentage of pupils in total membership in the resulting district who reside in the geographic area of each of the original or affected districts. The calculation under this subsection shall take into account a district's per pupil allocation under section 20j(2).

(11) Each fraction used in making calculations under this section shall be rounded to the fourth decimal place and the dollar amount of an increase in the basic foundation allowance shall be rounded to the nearest whole dollar.

(12) State payments related to payment of the foundation allowance for a special education pupil are not calculated under this section but are instead calculated under section 51a.

(13) To assist the legislature in determining the basic foundation allowance for the subsequent state fiscal year, each revenue estimating conference conducted under section 367b of the management and budget act, 1984 PA 431, MCL 18.1367b, shall calculate a pupil membership factor, a revenue adjustment factor, and an index as follows:

(a) The pupil membership factor shall be computed by dividing the estimated membership in the school year ending in the current state fiscal year, excluding intermediate district membership, by the estimated membership for the school year ending in the subsequent state fiscal year, excluding intermediate district membership. If a consensus membership factor is not determined at the revenue estimating conference, the principals of the revenue estimating conference shall report their estimates to the house and senate subcommittees responsible for school aid appropriations not later than 7 days after the conclusion of the revenue conference.

(b) The revenue adjustment factor shall be computed by dividing the sum of the estimated total state school aid fund revenue for the subsequent state fiscal year plus the estimated total state school aid fund revenue for the current state fiscal year, adjusted for any change in the rate or base of a tax the proceeds of which are deposited in that fund and excluding money transferred into that fund from the countercyclical budget and economic

stabilization fund under section 353e of the management and budget act, 1984 PA 431, MCL 18.1353e, by the sum of the estimated total school aid fund revenue for the current state fiscal year plus the estimated total state school aid fund revenue for the immediately preceding state fiscal year, adjusted for any change in the rate or base of a tax the proceeds of which are deposited in that fund. If a consensus revenue factor is not determined at the revenue estimating conference, the principals of the revenue estimating conference shall report their estimates to the house and senate subcommittees responsible for school aid appropriations not later than 7 days after the conclusion of the revenue conference.

(c) The index shall be calculated by multiplying the pupil membership factor by the revenue adjustment factor. However, for 2005-2006, the index shall be 1.00. If a consensus index is not determined at the revenue estimating conference, the principals of the revenue estimating conference shall report their estimates to the house and senate subcommittees responsible for school aid appropriations not later than 7 days after the conclusion of the revenue conference.

(14) If the principals at the revenue estimating conference reach a consensus on the index described in subsection (13)(c), the basic foundation allowance for the subsequent state fiscal year shall be at least the amount of that consensus index multiplied by the basic foundation allowance specified in subsection (1).

(15) If at the January revenue estimating conference it is estimated that pupil membership, excluding intermediate district membership, for the subsequent state fiscal year will be greater than 101% of the pupil membership, excluding intermediate district membership, for the current state fiscal year, then it is the intent of the legislature that the executive budget proposal for the school aid budget for the subsequent state fiscal year include a general fund/general purpose allocation sufficient to support the membership in excess of 101% of the current year pupil membership.

(16) For a district that had combined state and local revenue per membership pupil in the 1993-94 state fiscal year of more than $6,500.00, that had fewer than 7 pupils in membership in the 1993-94 state fiscal year, that has at least 1 child educated in the district in the current state fiscal year, and that levies the number of mills of school operating taxes authorized for the district under section 1211 of the revised school code, MCL 380.1211, a minimum amount of combined state and local revenue shall be calculated for the district as provided under this subsection. The minimum amount of combined state and local revenue for 1999-2000 shall be $67,000.00 plus the district's additional expenses to educate pupils in grades 9 to 12 educated in other districts as determined and allowed by the department. The minimum amount of combined state and local revenue under this subsection, before adding the additional expenses, shall increase each fiscal year by the same percentage increase as the percentage increase in the basic foundation allowance from the immediately preceding fiscal year to the current fiscal year. The state portion of the minimum amount of combined state and local revenue under this subsection shall be calculated by subtracting from the minimum amount of combined state and local revenue under this subsection the sum of the district's local school operating revenue and an amount equal to the product of the sum of the state portion of the district's foundation allowance plus the amount calculated under section 20j times the district's membership. As used in this subsection, "additional expenses" means the district's expenses for tuition or fees, not to exceed $6,500.00 as adjusted each year by an amount equal to the dollar amount of the difference between the basic foundation allowance for the current state fiscal year and $5,000.00, minus $200.00, plus a room and board stipend not to exceed $10.00 per school day for each pupil in grades 9 to 12 educated in another district, as approved by the department.

(17) For a district in which 7.75 mills levied in 1992 for school operating purposes in the 1992-93 school year were not renewed in 1993 for school operating purposes in the 1993-94 school year, the district's combined state and local revenue per membership pupil shall be recalculated as if that millage reduction did not occur and the district's foundation allowance shall be calculated as if its 1994-95 foundation allowance had been calculated using that recalculated 1993-94 combined state and local revenue per membership pupil as a base. A district is not entitled to any retroactive payments for fiscal years before 2000-2001 due to this subsection.

(18) For a district in which an industrial facilities exemption certificate that abated taxes on property with a state equalized valuation greater than the total state equalized valuation of the district at the time the certificate was issued or $700,000,000.00, whichever is greater, was issued under 1974 PA 198, MCL 207.551 to 207.572, before the calculation of the district's 1994-95 foundation allowance, the district's foundation allowance for 2002-2003 is an amount equal to the sum of the district's foundation allowance for 2002-2003, as otherwise calculated under this section, plus $250.00.

(19) For a district that received a grant under former section 32e for 2001-2002, the district's foundation allowance for 2002-2003 and each succeeding fiscal year shall be adjusted to be an amount equal to the sum of the district's foundation allowance, as otherwise calculated under this section, plus the quotient of 100% of the amount of the grant award to the district for 2001-2002 under former section 32e divided by the number of pupils in the district's membership for 2001-2002 who were residents of and enrolled in the district. Except as otherwise provided in this subsection, a district qualifying for a foundation allowance adjustment under this subsection shall use the funds resulting from this adjustment for at least 1 of grades K to 3 for purposes allowable under former section 32e as in effect for 2001-2002, and may also use these funds for an early intervening program described in subsection (21). For an individual school or schools operated by a district qualifying for a foundation allowance under this subsection that have been determined by the department to meet the adequate yearly progress standards of the federal no child left behind act of 2001, Public Law 107-110, in both mathematics and English language arts at all applicable grade levels for all applicable subgroups, the district may submit to the department an application for flexibility in using the funds resulting from this adjustment that are attributable to the pupils in the school or schools. The application shall identify the affected school or schools and the affected funds and shall contain a plan for using the funds for specific purposes identified by the district that are designed to reduce class size, but that may be different from the purposes otherwise allowable under this subsection. The department shall approve the application if the department determines that the purposes identified in the plan are reasonably designed to reduce class size. If the department does not act to approve or disapprove an application within 30 days after it is submitted to the department, the application is considered to be approved. If an application for flexibility in using the funds is approved, the district may use the funds identified in the application for any purpose identified in the plan.

(20) For a district that is a qualifying school district with a school reform board in place under part 5a of the revised school code, MCL 380.371 to 380.376, the district's foundation allowance for 2002-2003 shall be adjusted to be an amount equal to the sum of the district's foundation allowance, as otherwise calculated under this section, plus the quotient of $15,000,000.00 divided by the district's membership for 2002-2003. If a district ceases to meet the requirements of this subsection, the department shall adjust the district's foundation allowance in effect at that time based on a 2002-2003 foundation allowance for the district that does not include the 2002-2003 adjustment under this subsection. This subsection only applies for 2002-2003, 2003-2004, and 2004-2005. Beginning in 2005-2006, the foundation

allowance of a district that received an adjustment under this subsection for those fiscal years shall be calculated as if those adjustments did not occur.

(21) An early intervening program that uses funds resulting from the adjustment under subsection (19) shall meet either or both of the following:

(a) Shall monitor individual pupil learning for pupils in grades K to 3 and provide specific support or learning strategies to pupils in grades K to 3 as early as possible in order to reduce the need for special education placement. The program shall include literacy and numeracy supports, sensory motor skill development, behavior supports, instructional consultation for teachers, and the development of a parent/school learning plan. Specific support or learning strategies may include support in or out of the general classroom in areas including reading, writing, math, visual memory, motor skill development, behavior, or language development. These would be provided based on an understanding of the individual child's learning needs.

(b) Shall provide early intervening strategies for pupils in grades K to 3 using schoolwide systems of academic and behavioral supports and shall be scientifically research-based. The strategies to be provided shall include at least pupil performance indicators based upon response to intervention, instructional consultation for teachers, and ongoing progress monitoring. A schoolwide system of academic and behavioral support should be based on a support team available to the classroom teachers. The members of this team could include the principal, special education staff, reading teachers, and other appropriate personnel who would be available to systematically study the needs of the individual child and work with the teacher to match instruction to the needs of the individual child.

(22) Payments to districts, university schools, or public school academies shall not be made under this section. Rather, the calculations under this section shall be used to determine the amount of state payments under section 22b.

(23) If an amendment to section 2 of article VIII of the state constitution of 1963 allowing state aid to some or all nonpublic schools is approved by the voters of this state, each foundation allowance or per pupil payment calculation under this section may be reduced.

(24) As used in this section:

(a) "Combined state and local revenue" means the aggregate of the district's state school aid received by or paid on behalf of the district under this section and the district's local school operating revenue.

(b) "Combined state and local revenue per membership pupil" means the district's combined state and local revenue divided by the district's membership excluding special education pupils.

(c) "Current state fiscal year" means the state fiscal year for which a particular calculation is made.

(d) "Immediately preceding state fiscal year" means the state fiscal year immediately preceding the current state fiscal year.

(e) "Local school operating revenue" means school operating taxes levied under section 1211 of the revised school code, MCL 380.1211.

(f) "Local school operating revenue per membership pupil" means a district's local school operating revenue divided by the district's membership excluding special education pupils.

(g) "Membership" means the definition of that term under section 6 as in effect for the particular fiscal year for which a particular calculation is made.

(h) "Principal residence" and "qualified agricultural property" mean those terms as defined in section 7dd of the general property tax act, 1893 PA 206, MCL 211.7dd.

(i) "School operating purposes" means the purposes included in the operation costs of the district as prescribed in sections 7 and 18.

(j) "School operating taxes" means local ad valorem property taxes levied under section 1211 of the revised school code, MCL 380.1211, and retained for school operating purposes.

(k) "Taxable value per membership pupil" means taxable value, as certified by the department of treasury, for the calendar year ending in the current state fiscal year divided by the district's membership excluding special education pupils for the school year ending in the current state fiscal year.

388.1634 Appropriation of funds for 2006-2007; grants.

Sec. 34. (1) It is the intent of the legislature to appropriate funds for 2006-2007 to the department for grants to districts under this section.

(2) Not more than 76% of the money allocated under this section shall be used for grants to districts for the first year of a 5-year grant program to develop an early intervening model program for grades K to 3. The early intervening program will instruct classroom teachers and support staff on how to monitor individual pupil learning and how to provide specific support or learning strategies to pupils as early as possible in order to reduce the need for special education placement. The program will include literacy and numeracy supports, sensory motor skill development, behavior supports, instructional consultation for teachers, and the development of a parent/school learning plan. Specific support or learning strategies may include support in or out of the general classroom in areas including reading, writing, math, visual memory, motor skill development, behavior, or language development. These would be provided based on an understanding of the individual child's learning needs. All of the following apply to the grants:

(a) Each site funded by a grant shall serve as either a model site of practice or a site of improvement. A model site will serve as an ongoing model that provides the early intervening program for pupils and conducts professional development on site for personnel visiting from a site of improvement. A site of improvement is a site that seeks to implement the early intervening program.

(b) The grants shall be distributed through a process established by the department. The selection of grant recipients shall be based on the ability to serve as a model site of practice or, for a site of improvement, based on the highest demonstrated need to improve opportunities for learning success as reflected by either a combined percentage of pupils who are learning disabled, emotionally impaired, or speech and language impaired that is higher than the statewide percentage of those pupils or a percentage of pupils reading below grade level as measured by the statewide third grade English language arts assessment that is higher than the statewide percentage of those pupils, as determined by the department. The department shall ensure geographic diversity in awarding grants.

(c) The department shall award up to 19 grants, with not more than 4 of the grants for development of model sites of practice and not more than 15 of the grants for sites of improvement. A model site of practice shall use the grant funds to make professional development on how to provide the program available on site to personnel from sites of improvement. A site of improvement shall use the grant funds to pay for the expenses of obtaining this professional development and other expenses related to implementing an early intervening program.

(d) The amount of a grant to a district shall be $40,000.00.

(e) A grant shall be used for early intervening programs for pupils at the elementary level only.

(3) Not more than 24% of the money allocated under this section shall be used for grants to districts for programs that provide early intervening strategies for pupils in grades K to 3 using schoolwide systems of academic and behavioral supports and shall be scientifically research-based. The strategies to be provided shall include at least pupil performance indicators based upon response to intervention, instructional consultation for teachers, and ongoing progress monitoring. A schoolwide system of academic and behavioral support should be based on a support team available to the classroom teachers. The members of this team could include the principal, special education staff, reading teachers, and other appropriate personnel who would be available to systematically study the needs of the individual child and work with the teacher to match instruction to the needs of the individual child. These grants shall be distributed through a competitive process established by the department. A grant shall be used for providing these programs for pupils at the elementary level only.

(4) The department shall develop guidelines on the use of the grant funds allocated under this section. These guidelines shall ensure that the use of these grant funds is consistent with research and instructional programs that include data-driven processes and proven methods of success.

(5) Programs funded under this section shall invite visitation and feedback from the regional literacy training center in which service area the recipient district is located, as identified by the department.

(6) Notwithstanding section 17b, payments under this section may be made pursuant to an agreement with the department.

(7) Not later than January 30 of the next fiscal year, the department shall prepare and submit to the governor, the senate and house standing committees on education, and the senate and house appropriations subcommittees having jurisdiction over state school aid an annual report of outcomes achieved by the grant recipients funded under this section for a fiscal year. For this report, the funded sites shall collect data prescribed by the department and report to the department on the percentage of pupils reading at grade level before implementation of the program and the percentage of pupils reading at grade level after implementation of the program, as measured by the statewide third grade English language arts assessment.

This act is ordered to take immediate effect.
Approved April 14, 2006.
Filed with Secretary of State April 14, 2006.

[No. 121]

(SB 330)

AN ACT to amend 1979 PA 94, entitled "An act to make appropriations to aid in the support of the public schools and the intermediate school districts of the state; to make appropriations for certain other purposes relating to education; to provide for the disbursement of the appropriations; to supplement the school aid fund by the levy and collection of certain taxes; to authorize the issuance of certain bonds and provide for the security of those bonds; to prescribe the powers and duties of certain state departments, the state

board of education, and certain other boards and officials; to create certain funds and provide for their expenditure; to prescribe penalties; and to repeal acts and parts of acts," by amending section 31a (MCL 388.1631a), as amended by 2005 PA 155.

The People of the State of Michigan enact:

388.1631a Funding to eligible districts and public school academies; additional allowance; early intervening program; number of pupils meeting criteria for free breakfast, lunch, or milk; "at-risk pupil" defined.

Sec. 31a. (1) From the money appropriated in section 11, there is allocated for 2005-2006 an amount not to exceed $314,200,000.00 for payments to eligible districts and eligible public school academies under this section. Subject to subsection (13), the amount of the additional allowance under this section shall be based on the number of actual pupils in membership in the district or public school academy who met the income eligibility criteria for free breakfast, lunch, or milk in the immediately preceding state fiscal year, as determined under the Richard B. Russell national school lunch act, 42 USC 1751 to 1769h, and 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. However, for a public school academy that began operations as a public school academy after the pupil membership count day of the immediately preceding school year, the basis for the additional allowance under this section shall be the number of actual pupils in membership in the public school academy who met the income eligibility criteria for free breakfast, lunch, or milk in the current state fiscal year, as determined under the Richard B. Russell national school lunch act.

(2) To be eligible to receive funding under this section, other than funding under subsection (6), a district or public school academy that has not been previously determined to be eligible shall apply to the department, in a form and manner prescribed by the department, and a district or public school academy must meet all of the following:

(a) The sum of the district's or public school academy's combined state and local revenue per membership pupil in the current state fiscal year, as calculated under section 20, plus the amount of the district's per pupil allocation under section 20j(2), is less than or equal to $6,500.00 adjusted by the dollar amount of the difference between the basic foundation allowance under section 20 for the current state fiscal year and $5,000.00, minus $200.00.

(b) The district or public school academy agrees to use the funding only for purposes allowed under this section and to comply with the program and accountability requirements under this section.

(3) Except as otherwise provided in this subsection, an eligible district or eligible public school academy shall receive under this section for each membership pupil in the district or public school academy who 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, an amount per pupil equal to 11.5% of the sum of the district's foundation allowance or public school academy's per pupil amount calculated under section 20, plus the amount of the district's per pupil allocation under section 20j(2), not to exceed $6,500.00 adjusted by the dollar amount of the difference between the basic foundation allowance under section 20 for the current state fiscal year and $5,000.00, minus $200.00, or of the public school academy's per membership pupil amount calculated under section 20 for the current state fiscal year. A public school academy that began operations as a public school academy after the pupil membership

count day of the immediately preceding school year shall receive under this section for each membership pupil in the public school academy who 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 current fiscal year and adjusted not later than December 31 of the current fiscal year, an amount per pupil equal to 11.5% of the public school academy's per membership pupil amount calculated under section 20 for the current state fiscal year.

(4) Except as otherwise provided in this section, a district or public school academy receiving funding under this section shall use that money only to provide instructional programs and direct noninstructional services, including, but not limited to, medical or counseling services, for at-risk pupils; for school health clinics; and for the purposes of subsection (5) or (6). In addition, a district that is organized as a school district of the first class under the revised school code or a district or public school academy in which at least 50% of the pupils in membership met the income eligibility criteria for free breakfast, lunch, or milk in the immediately preceding state fiscal year, as determined and reported as described in subsection (1), may use not more than 15% of the funds it receives under this section for school security. A district or public school academy shall not use any of that money for administrative costs or to supplant another program or other funds, except for funds allocated to the district or public school academy under this section in the immediately preceding year and already being used by the district or public school academy for at-risk pupils. The instruction or direct noninstructional services provided under this section may be conducted before or after regular school hours or by adding extra school days to the school year and may include, but are not limited to, tutorial services, early childhood programs to serve children age 0 to 5, and reading programs as described in former section 32f as in effect for 2001-2002. A tutorial method may be conducted with paraprofessionals working under the supervision of a certificated teacher. The ratio of pupils to paraprofessionals shall be between 10:1 and 15:1. Only 1 certificated teacher is required to supervise instruction using a tutorial method. As used in this subsection, "to supplant another program" means to take the place of a previously existing instructional program or direct noninstructional services funded from a funding source other than funding under this section.

(5) Except as otherwise provided in subsection (11), a district or public school academy that receives funds under this section and that operates a school breakfast program under section 1272a of the revised school code, MCL 380.1272a, shall use from the funds received under this section an amount, not to exceed $10.00 per pupil for whom the district or public school academy receives funds under this section, necessary to operate the school breakfast program.

(6) From the funds allocated under subsection (1), there is allocated for 2005-2006 an amount not to exceed $3,743,000.00 to support teen health centers. These grants shall be awarded for 3 consecutive years beginning with 2003-2004 in a form and manner approved jointly by the department and the department of community health. Each grant recipient shall remain in compliance with the terms of the grant award or shall forfeit the grant award for the duration of the 3-year period after the noncompliance. Beginning in 2004-2005, to continue to receive funding for a teen health center under this section a grant recipient shall ensure that the teen health center has an advisory committee and that at least one-third of the members of the advisory committee are parents or legal guardians of school-aged children. A teen health center program shall recognize the role of a child's parents or legal guardian in the physical and emotional well-being of the child. If any funds allocated under this subsection are not used for the purposes of this subsection for the fiscal year in which

they are allocated, those unused funds shall be used that fiscal year to avoid or minimize any proration that would otherwise be required under subsection (13) for that fiscal year.

(7) Each district or public school academy receiving funds under this section shall submit to the department by July 15 of each fiscal year a report, not to exceed 10 pages, on the usage by the district or public school academy of funds under this section, which report shall include at least a brief description of each program conducted by the district or public school academy using funds under this section, the amount of funds under this section allocated to each of those programs, the number of at-risk pupils eligible for free or reduced price school lunch who were served by each of those programs, and the total number of at-risk pupils served by each of those programs. If a district or public school academy does not comply with this subsection, the department shall withhold an amount equal to the August payment due under this section until the district or public school academy complies with this subsection. If the district or public school academy does not comply with this subsection by the end of the state fiscal year, the withheld funds shall be forfeited to the school aid fund.

(8) In order to receive funds under this section, a district or public school academy shall allow access for the department or the department's designee to audit all records related to the program for which it receives those funds. The district or public school academy shall reimburse the state for all disallowances found in the audit.

(9) Subject to subsections (5), (6), (11), and (12), any district may use up to 100% of the funds it receives under this section to reduce the ratio of pupils to teachers in grades K-6, or any combination of those grades, in school buildings in which the percentage of pupils described in subsection (1) exceeds the district's aggregate percentage of those pupils. Subject to subsections (5), (6), (11), and (12), if a district obtains a waiver from the department, the district may use up to 100% of the funds it receives under this section to reduce the ratio of pupils to teachers in grades K-6, or any combination of those grades, in school buildings in which the percentage of pupils described in subsection (1) is at least 60% of the district's aggregate percentage of those pupils and at least 30% of the total number of pupils enrolled in the school building. To obtain a waiver, a district must apply to the department and demonstrate to the satisfaction of the department that the class size reductions would be in the best interests of the district's at-risk pupils.

(10) A district or public school academy may use funds received under this section for adult high school completion, general educational development (G.E.D.) test preparation, adult English as a second language, or adult basic education programs described in section 107.

(11) For an individual school or schools operated by a district or public school academy receiving funds under this section that have been determined by the department to meet the adequate yearly progress standards of the federal no child left behind act of 2001, Public Law 107-110, in both mathematics and English language arts at all applicable grade levels for all applicable subgroups, the district or public school academy may submit to the department an application for flexibility in using the funds received under this section that are attributable to the pupils in the school or schools. The application shall identify the affected school or schools and the affected funds and shall contain a plan for using the funds for specific purposes identified by the district that are designed to benefit at-risk pupils in the school, but that may be different from the purposes otherwise allowable under this section. The department shall approve the application if the department determines that the purposes identified in the plan are reasonably designed to benefit at-risk pupils in the school. If the department does not act to approve or disapprove an application within 30 days after it is submitted to the department, the application is considered to be approved. If an application for flexibility in using the funds is approved, the district may use the funds identified in the application for any purpose identified in the plan.

(12) A district or public school academy that receives funds under this section may use funds it receives under this section to implement and operate an early intervening program for pupils in grades K to 3 that meets either or both of the following:

(a) Monitors individual pupil learning and provides specific support or learning strategies to pupils as early as possible in order to reduce the need for special education placement. The program shall include literacy and numeracy supports, sensory motor skill development, behavior supports, instructional consultation for teachers, and the development of a parent/school learning plan. Specific support or learning strategies may include support in or out of the general classroom in areas including reading, writing, math, visual memory, motor skill development, behavior, or language development. These would be provided based on an understanding of the individual child's learning needs.

(b) Provides early intervening strategies using school-wide systems of academic and behavioral supports and is scientifically research-based. The strategies to be provided shall include at least pupil performance indicators based upon response to intervention, instructional consultation for teachers, and ongoing progress monitoring. A school-wide system of academic and behavioral support should be based on a support team available to the classroom teachers. The members of this team could include the principal, special education staff, reading teachers, and other appropriate personnel who would be available to systematically study the needs of the individual child and work with the teacher to match instruction to the needs of the individual child.

(13) If necessary, and before any proration required under section 11, the department shall prorate payments under this section by reducing the amount of the per pupil payment under this section by a dollar amount calculated by determining the amount by which the amount necessary to fully fund the requirements of this section exceeds the maximum amount allocated under this section and then dividing that amount by the total statewide number of pupils who met the income eligibility criteria for free breakfast, lunch, or milk in the immediately preceding fiscal year, as described in subsection (1).

(14) If a district is formed by consolidation after June 1, 1995, and if 1 or more of the original districts was not eligible before the consolidation for an additional allowance under this section, the amount of the additional allowance under this section for the consolidated district shall be based on the number of pupils described in subsection (1) enrolled in the consolidated district who reside in the territory of an original district that was eligible before the consolidation for an additional allowance under this section.

(15) A district or public school academy that does not meet the eligibility requirement under subsection (2)(a) is eligible for funding under this section if at least 1/4 of the pupils in membership in the district or public school academy met the income eligibility criteria for free breakfast, lunch, or milk in the immediately preceding state fiscal year, as determined and reported as described in subsection (1), and at least 4,500 of the pupils in membership in the district or public school academy met the income eligibility criteria for free breakfast, lunch, or milk in the immediately preceding state fiscal year, as determined and reported as described in subsection (1). A district or public school academy that is eligible for funding under this section because the district meets the requirements of this subsection shall receive under this section for each membership pupil in the district or public school academy who met the income eligibility criteria for free breakfast, lunch, or milk in the immediately preceding fiscal year, as determined and reported as described in subsection (1), an amount per pupil equal to 11.5% of the sum of the district's foundation allowance or public school academy's per pupil allocation under section 20, plus the amount of the district's per pupil allocation under section 20j(2), not to exceed $6,500.00 adjusted by the dollar amount of the difference between the basic foundation allowance under section 20 for the current state fiscal year and $5,000.00, minus $200.00.

(16) As used in this section, "at-risk pupil" means a pupil for whom the district has documentation that the pupil meets at least 2 of the following criteria: is a victim of child abuse or neglect; is below grade level in English language and communication skills or mathematics; is a pregnant teenager or teenage parent; is eligible for a federal free or reduced-price lunch subsidy; has atypical behavior or attendance patterns; or has a family history of school failure, incarceration, or substance abuse. For pupils for whom the results of at least the applicable Michigan education assessment program (MEAP) test have been received, at-risk pupil also includes a pupil who does not meet the other criteria under this subsection but who did not achieve at least a score of level 2 on the most recent MEAP English language arts, mathematics, or science test for which results for the pupil have been received. For pupils for whom the results of the Michigan merit examination have been received, at-risk pupil also includes a pupil who does not meet the other criteria under this subsection but who did not achieve proficiency on the reading component of the most recent Michigan merit examination for which results for the pupil have been received, did not achieve proficiency on the mathematics component of the most recent Michigan merit examination for which results for the pupil have been received, or did not achieve basic competency on the science component of the most recent Michigan merit examination for which results for the pupil have been received. For pupils in grades K-3, at-risk pupil also includes a pupil who is at risk of not meeting the district's core academic curricular objectives in English language arts or mathematics.

This act is ordered to take immediate effect.
Approved April 14, 2006.
Filed with Secretary of State April 14, 2006.

[No. 122]

(HB 5813)

AN ACT to amend 1954 PA 116, entitled "An act to reorganize, consolidate, and add to the election laws; to provide for election officials and prescribe their powers and duties; to prescribe the powers and duties of certain state departments, state agencies, and state and local officials and employees; to provide for the nomination and election of candidates for public office; to provide for the resignation, removal, and recall of certain public officers; to provide for the filling of vacancies in public office; to provide for and regulate primaries and elections; to provide for the purity of elections; to guard against the abuse of the elective franchise; to define violations of this act; to provide appropriations; to prescribe penalties and provide remedies; and to repeal certain acts and all other acts inconsistent with this act," by amending section 381 (MCL 168.381), as amended by 2005 PA 71.

The People of the State of Michigan enact:

168.381 Village officers; qualifications, nomination, election, appointment, term, and removal; temporary appointment of trustees for transaction of business; expiration of appointment; filing for office; nominating petitions; election to be held at September primary election.

Sec. 381. (1) Except as provided in this section and sections 383, 641, 642, and 644g, the qualifications, nomination, election, appointment, term of office, and removal from office of a village officer shall be as determined by the charter provisions governing the village.

(2) If the membership of the village council of a village governed by the general law village act, 1895 PA 3, MCL 61.1 to 74.25, is reduced to less than a quorum of 4 and a special election for the purpose of filling all vacancies in the office of trustee is called under section 13 of chapter II of the general law village act, 1895 PA 3, MCL 62.13, temporary appointments of trustees shall be made as provided in this subsection. The board of county election commissioners of the county in which the largest portion of the population of the village is situated shall make temporary appointment of the number of trustees required to constitute a quorum for the transaction of business by the village council. A trustee appointed under this subsection shall hold the office only until the trustee's successor is elected and qualified. A trustee who is temporarily appointed under this subsection shall not vote on the appointment of himself or herself to an elective or appointive village office.

(3) Notwithstanding another provision of law or charter to the contrary, an appointment to an elective or appointive village office made by a quorum constituted by temporary appointments under this subsection expires upon the election and qualification of trustees under the special election called to fill the vacancies in the office of trustee.

(4) Filing for a village office shall be with the township clerk if the township is conducting the election or if the village is located in more than 1 township with the township in which the largest number of the registered electors of the village reside. Except as provided in subsection (5), nominating petitions for village offices shall be filed with the appropriate township clerk by 4 p.m. on the twelfth Tuesday before the general November election. After a nominating petition is filed for a candidate for a village office, the candidate is not permitted to withdraw unless a written withdrawal notice, signed by the candidate, is filed with the appropriate township clerk not later than 4 p.m. of the third day after the last day for filing the nominating petition.

(5) If a village council adopts a resolution in compliance with section 642(7) to hold its regular election at the September primary election, the nominating petitions for village offices to be filled at the September primary election shall be filed as provided in this subsection. Until January 1, 2006, nominating petitions shall be filed with the village clerk by 4 p.m. on the eighth Tuesday before the September primary election. On and after January 1, 2006, nominating petitions shall be filed with the village clerk by 4 p.m. on the twelfth Tuesday before the September primary election. After a nominating petition is filed for a candidate for a village office, the candidate is not permitted to withdraw unless a written withdrawal notice, signed by the candidate, is filed with the village clerk not later than 4 p.m. of the third day after the last day for filing the nominating petition.

This act is ordered to take immediate effect.
Approved April 14, 2006.
Filed with Secretary of State April 14, 2006.

[No. 123]

(HB 5606)

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 1280 (MCL 380.1280), as amended by 2003 PA 275, and by adding section 1278b.

The People of the State of Michigan enact:

380.1278b Award of high school diploma; credit requirements; annual report.

Sec. 1278b. (1) Except as otherwise provided in this section or section 1278a, beginning with pupils entering grade 8 in 2006, as part of the requirements under section 1278a the board of a school district or board of directors of a public school academy shall not award a high school diploma to a pupil unless the pupil has successfully completed all of the following credit requirements of the Michigan merit standard before graduating from high school:

(a) At least 4 credits in English language arts that are aligned with subject area content expectations developed by the department and approved by the state board under this section.

(b) At least 3 credits in science that are aligned with subject area content expectations developed by the department and approved by the state board under this section, including completion of at least biology and either chemistry or physics. The legislature strongly encourages pupils to complete a fourth credit in science, such as forensics, astronomy, Earth science, agricultural science, environmental science, geology, physics or chemistry, physiology, or microbiology.

(c) The credit requirements specified in section 1278a(1)(a).

(2) If a pupil successfully completes 1 or more of the high school credits required under subsection (1) or under section 1278a(1) before entering high school, the pupil shall be given high school credit for that credit.

(3) For the purposes of this section and section 1278a, the department shall do all of the following:

(a) Develop subject area content expectations that apply to the credit requirements of the Michigan merit standard that are required under subsection (1)(a) and (b) and section 1278a(1)(a)(*i*) and (*ii*) and develop guidelines for the remaining credit requirements of the Michigan merit standard that are required under this section and section 1278a(1)(a), for the online course or learning experience required under section 1278a(1)(b), and for the requirements for a language other than English under section 1278a(2). All of the following apply to these subject area content expectations and guidelines:

(*i*) All subject area content expectations shall be consistent with the state board recommended model core academic curriculum content standards under section 1278. Subject area content expectations or guidelines shall not include attitudes, beliefs, or value systems that are not essential in the legal, economic, and social structure of our society and to the personal and social responsibility of citizens of our society. The subject area content expectations shall require pupils to demonstrate critical thinking skills.

(*ii*) The subject area content expectations and the guidelines must be approved by the state board under subsection (4).

(*iii*) The subject area content expectations shall state in clear and measurable terms what pupils are expected to know upon completion of each credit.

(*iv*) The department shall complete the development of the subject area content expectations that apply to algebra I and the guidelines for the online course or learning experience under section 1278a(1)(b) not later than August 1, 2006.

(*v*) The department shall complete development of the subject area content expectations or guidelines that apply to each of the other credits required in the Michigan merit standard under subsection (1) and section 1278a(1)(a) not later than 1 year before the beginning of the school year in which a pupil entering high school in 2007 would normally be expected to complete the credit.

(*vi*) If the department has not completed development of the subject area content expectations that apply to a particular credit required in the Michigan merit standard under subsection (1) or section 1278a(1)(a) by the date required under this subdivision, a school district or public school academy may align the content of the credit with locally adopted standards.

(*vii*) Until all of the subject area content expectations and guidelines have been developed by the department and approved by the state board, the department shall submit a report at least every 6 months to the senate and house standing committees responsible for education legislation on the status of the development of the subject area content expectations and guidelines. The report shall detail any failure by the department to meet a deadline established under subparagraph (*iv*) or (*v*) and the reasons for that failure.

(b) Develop and implement a process for developing the subject area content expectations and guidelines required under this section. This process shall provide for all of the following:

(*i*) Soliciting input from all of the following groups:

(A) Recognized experts in the relevant subject areas.

(B) Representatives from 4-year colleges or universities, community colleges, and other postsecondary institutions.

(C) Teachers, administrators, and school personnel who have specialized knowledge of the subject area.

(D) Representatives from the business community.

(E) Representatives from vocational and career and technical education providers.

(F) Government officials, including officials from the legislature.

(G) Parents of public school pupils.

(*ii*) A review of the subject area content expectations or guidelines by national experts.

(*iii*) An opportunity for the public to review and provide input on the proposed subject area content expectations or guidelines before they are submitted to the state board for approval. The time period allowed for this review and input shall be at least 15 business days.

(c) Determine the basic level of technology and internet access required for pupils to complete the online course or learning experience requirement of section 1278a(1)(b), and submit that determination to the state board for approval.

(d) Not later than 3 years after the effective date of this section, develop or select and approve assessments that may be used by school districts and public school academies to determine whether a pupil has successfully completed a credit required under the Michigan merit standard under subsection (1) or section 1278a(1)(a). The assessments for each credit shall measure a pupil's understanding of the subject area content expectations or

guidelines that apply to the credit. The department shall develop or select and approve assessments for at least each of the following credits: algebra I, geometry, algebra II, Earth science, biology, physics, chemistry, grade 9 English, grade 10 English, grade 11 English, grade 12 English, world history, United States history, economics, and civics.

(e) Develop and make available material to assist school districts and public school academies in implementing the requirements of this section and section 1278a. This shall include developing guidelines for alternative instructional delivery methods as described in subsection (7).

(4) The state board shall approve subject area content expectations and guidelines developed by the department under subsection (3) before those subject area content expectations and guidelines may take effect. The state board also shall approve the basic level of technology and internet access required for pupils to complete the online course or learning experience requirement of section 1278a(1)(b).

(5) The parent or legal guardian of a pupil may request a personal curriculum for the pupil that modifies certain of the Michigan merit standard requirements under subsection (1) or section 1278a(1)(a). If all of the requirements under this subsection for a personal curriculum are met, then the board of a school district or board of directors of a public school academy may award a high school diploma to a pupil who successfully completes his or her personal curriculum even if it does not meet the requirements of the Michigan merit standard required under subsection (1) and section 1278a(1)(a). All of the following apply to a personal curriculum:

(a) The personal curriculum shall be developed by a group consisting of the pupil, at least 1 of the pupil's parents or the pupil's legal guardian, and the pupil's high school counselor or another designee qualified under section 1233 or 1233a selected by the high school principal.

(b) The personal curriculum shall incorporate as much of the subject area content expectations of the Michigan merit standard required under subsection (1) and section 1278a(1)(a) as is practicable; shall establish measurable goals that the pupil must achieve while enrolled in high school and shall provide a method to evaluate whether the pupil achieved these goals; and shall be aligned with the pupil's educational development plan developed under subsection (11).

(c) Before it takes effect, the personal curriculum must be agreed to by the pupil's parent or legal guardian and by the superintendent of the school district or chief executive of the public school academy or his or her designee.

(d) The pupil's parent or legal guardian shall be in communication with each of the pupil's teachers at least once each calendar quarter to monitor the pupil's progress toward the goals contained in the pupil's personal curriculum.

(e) Revisions may be made in a personal curriculum if the revisions are developed and agreed to in the same manner as the original personal curriculum.

(f) The English language arts credit requirements of subsection (1)(a) and the science credit requirements of subsection (1)(b) are not subject to modification as part of a personal curriculum under this subsection.

(g) Except as otherwise provided in this subdivision, the mathematics credit requirements of section 1278a(1)(a)(*i*) may be modified as part of a personal curriculum only after the pupil has successfully completed at least 2-1/2 credits of the mathematics credits required under that section and only if the pupil successfully completes at least 3-1/2 total credits of the mathematics credits required under that section before completing high school. The requirement under that section that a pupil must successfully complete at

least 1 mathematics course during his or her final year of high school enrollment is not subject to modification as part of a personal curriculum under this subsection. The algebra II credit required under that section may be modified as part of a personal curriculum under this subsection only if the pupil has successfully completed at least 2 credits of the mathematics credits required under section 1278a(1)(a)(*i*) and meets 1 or more of the following:

(*i*) Has successfully completed the same content as 1 semester of algebra II, as determined by the department.

(*ii*) Elects to complete the same content as algebra II over 2 years, with a credit awarded for each of those 2 years, and successfully completes that content.

(*iii*) Enrolls in a formal career and technical education program or curriculum and in that program or curriculum successfully completes the same content as 1 semester of algebra II, as determined by the department.

(h) The social science credit requirements of section 1278a(1)(a)(*ii*) may be modified as part of a personal curriculum only if all of the following are met:

(*i*) The pupil has successfully completed 2 credits of the social science credits required under section 1278a(1), including the civics course described in section 1166(2).

(*ii*) The modification requires the pupil to complete 1 additional credit in English language arts, mathematics, or science or 1 additional credit in a language other than English. This additional credit must be in addition to the number of those credits otherwise required under subsection (1) and section 1278a(1) or under section 1278a(2).

(i) The health and physical education credit requirement under section 1278a(1)(a)(*iii*) may be modified as part of a personal curriculum only if the modification requires the pupil to complete 1 additional credit in English language arts, mathematics, or science or 1 additional credit in a language other than English. This additional credit must be in addition to the number of those credits otherwise required under subsection (1) and section 1278a(1) or under section 1278a(2).

(j) The visual arts, performing arts, or applied arts credit requirement under section 1278a(1)(a)(*iv*) may be modified as part of a personal curriculum only if the modification requires the pupil to complete 1 additional credit in English language arts, mathematics, or science or 1 additional credit in a language other than English. This additional credit must be in addition to the number of those credits otherwise required under subsection (1) and section 1278a(1) or under section 1278a(2).

(k) If a pupil is at least age 18 or is an emancipated minor, the pupil may act on his or her own behalf under this subsection.

(*l*) This subsection does not apply to a pupil enrolled in a high school that is designated as a specialty school under section 1278a(5) and that is exempt under that section from the English language arts requirement under subsection (1)(a) and the social science credit requirement under section 1278a(1)(a)(*ii*).

(6) If a pupil receives special education services, the pupil's individualized education program, in accordance with the individuals with disabilities education act, title VI of Public Law 91-230, shall identify the appropriate course or courses of study and identify the supports, accommodations, and modifications necessary to allow the pupil to progress in the curricular requirements of this section and section 1278a, or in a personal curriculum as provided under subsection (5), and meet the requirements for a high school diploma.

(7) The board of a school district or board of directors of a public school academy that operates a high school shall ensure that each pupil is offered the curriculum necessary for the pupil to meet the curricular requirements of this section and section 1278a. The board

or board of directors may provide this curriculum by providing the credits specified in this section and section 1278a, by using alternative instructional delivery methods such as alternative course work, humanities course sequences, career and technical education, industrial technology courses, or vocational education, or by a combination of these. School districts and public school academies that operate career and technical education programs are encouraged to integrate the credit requirements of this section and section 1278a into those programs.

(8) If the board of a school district or board of directors of a public school academy wants its high school to be accredited under section 1280, the board or board of directors shall ensure that all elements of the curriculum required under this section and section 1278a are made available to all affected pupils. If a school district or public school academy does not offer all of the required credits, the board of the school district or board of directors of the public school academy shall ensure that the pupil has access to the required credits by another means, such as enrollment in a postsecondary course under the postsecondary enrollment options act, 1996 PA 160, MCL 388.511 to 388.524; enrollment in an online course; a cooperative arrangement with a neighboring school district or with a public school academy; or granting approval under section 6(6) of the state school aid act of 1979, MCL 388.1606, for the pupil to be counted in membership in another school district.

(9) If a pupil is not successfully completing a credit required for graduation under this section and section 1278a, or is identified as being at risk of withdrawing from high school, then the pupil's school district or public school academy shall notify the pupil's parent or legal guardian or, if the pupil is at least age 18 or is an emancipated minor, the pupil, of the availability of tutoring or other supplemental educational support and counseling services that may be available to the pupil under existing state or federal programs, such as those programs or services available under section 31a of the state school aid act of 1979, MCL 388.1631a, or under the no child left behind act of 2001, Public Law 107-110.

(10) To the extent required by the no child left behind act of 2001, Public Law 107-110, the board of a school district or public school academy shall ensure that all components of the curricular requirements under this section and section 1278a are taught by highly qualified teachers. If a school district or public school academy demonstrates to the department that the school district or public school academy is unable to meet the requirements of this section because the school district or public school academy is unable to hire enough highly qualified teachers, the department shall work with the school district or public school academy to develop a plan to allow the school district or public school academy to hire enough highly qualified teachers to meet the requirements of this section.

(11) The board of a school district or board of directors of a public school academy shall ensure that each pupil in grade 7 is provided with the opportunity to develop an educational development plan, and that each pupil has developed an educational development plan before he or she begins high school. An educational development plan shall be developed by the pupil under the supervision of the pupil's school counselor or another designee qualified under section 1233 or 1233a selected by the high school principal and shall be based on a career pathways program or similar career exploration program.

(12) Except as otherwise provided in this subsection, if a school district or public school academy is unable to implement all of the curricular requirements of this section and section 1278a for pupils entering grade 9 in 2007 or is unable to implement another requirement of this section or section 1278a, the school district or public school academy may apply to the department for permission to phase in 1 or more of the requirements of this section or section 1278a. To apply, the school district or public school academy shall submit a proposed phase-in plan to the department. The department shall approve a phase-in plan if

the department determines that the plan will result in the school district or public school academy making satisfactory progress toward full implementation of the requirements of this section and section 1278a. If the department disapproves a proposed phase-in plan, the department shall work with the school district or public school academy to develop a satisfactory plan that may be approved. However, if legislation is enacted that adds section 1290 to allow school districts and public school academies to apply for a contract that waives certain state or federal requirements, then this subsection does not apply but a school district or public school academy may take action as described in subsection (13). This subsection does not apply to a high school that is designated as a specialty school under section 1278a(5) and that is exempt under that section from the English language arts requirement under subsection (1)(a) and the social science credit requirement under section 1278a(1)(a)(*ii*).

(13) If a school district or public school academy does not offer all of the required credits or provide options to have access to the required credits as provided under subsection (8) and if legislation is enacted that adds section 1290 to allow school districts and public school academies to apply for a contract that waives certain state or federal requirements, then the school district or public school academy is encouraged to apply for a contract under section 1290. The purpose of a contract described in this subsection is to improve pupil performance.

(14) This section and section 1278a do not prohibit a pupil from satisfying or exceeding the credit requirements of the Michigan merit standard under this section and section 1278a through advanced studies such as accelerated course placement, advanced placement, dual enrollment in a postsecondary institution, or participation in the international baccalaureate program or an early college/middle college program.

(15) Not later than April 1 of each year, the department shall submit an annual report to the legislature that evaluates the overall success of the curriculum required under this section and section 1278a, the rigor and relevance of the course work required by the curriculum, the ability of public schools to implement the curriculum and the required course work, and the impact of the curriculum on pupil success, and that details any activities the department has undertaken to implement this section and section 1278a or to assist public schools in implementing the requirements of this section and section 1278a.

380.1280 Accreditation.

Sec. 1280. (1) The board of a school district that does not want to be subject to the measures described in this section shall ensure that each public school within the school district is accredited.

(2) As used in subsection (1), and subject to subsection (6), "accredited" means certified by the superintendent of public instruction as having met or exceeded standards established under this section for 6 areas of school operation: administration and school organization, curricula, staff, school plant and facilities, school and community relations, and school improvement plans and student performance. The building-level evaluation used in the accreditation process shall include, but is not limited to, school data collection, self-study, visitation and validation, determination of performance data to be used, and the development of a school improvement plan.

(3) The department shall develop and distribute to all public schools proposed accreditation standards. Upon distribution of the proposed standards, the department shall hold statewide public hearings for the purpose of receiving testimony concerning the standards. After a review of the testimony, the department shall revise and submit the proposed

standards to the superintendent of public instruction. After a review and revision, if appropriate, of the proposed standards, the superintendent of public instruction shall submit the proposed standards to the senate and house committees that have the responsibility for education legislation. Upon approval by these committees, the department shall distribute to all public schools the standards to be applied to each school for accreditation purposes. The superintendent of public instruction shall review and update the accreditation standards annually using the process prescribed under this subsection.

(4) The superintendent of public instruction shall develop and distribute to all public schools standards for determining that a school is eligible for summary accreditation under subsection (6). The standards shall be developed, reviewed, approved, and distributed using the same process as prescribed in subsection (3) for accreditation standards, and shall be finally distributed and implemented not later than December 31, 1994.

(5) The standards for accreditation or summary accreditation under this section shall include as criteria pupil performance on Michigan education assessment program (MEAP) tests and on the Michigan merit examination under section 1279g and, until the Michigan merit examination has been fully implemented, the percentage of pupils achieving state endorsement under section 1279, but shall not be based solely on pupil performance on MEAP tests or the Michigan merit examination or on the percentage of pupils achieving state endorsement under section 1279. The standards shall also include as criteria multiple year change in pupil performance on MEAP tests and the Michigan merit examination and, until after the Michigan merit examination is fully implemented, multiple year change in the percentage of pupils achieving state endorsement under section 1279. If it is necessary for the superintendent of public instruction to revise accreditation or summary accreditation standards established under subsection (3) or (4) to comply with this subsection, the revised standards shall be developed, reviewed, approved, and distributed using the same process as prescribed in subsection (3).

(6) If the superintendent of public instruction determines that a public school has met the standards established under subsection (4) or (5) for summary accreditation, the school is considered to be accredited without the necessity for a full building-level evaluation under subsection (2).

(7) If the superintendent of public instruction determines that a school has not met the standards established under subsection (4) or (5) for summary accreditation but that the school is making progress toward meeting those standards, or if, based on a full building-level evaluation under subsection (2), the superintendent of public instruction determines that a school has not met the standards for accreditation but is making progress toward meeting those standards, the school is in interim status and is subject to a full building-level evaluation as provided in this section.

(8) If a school has not met the standards established under subsection (4) or (5) for summary accreditation and is not eligible for interim status under subsection (7), the school is unaccredited and subject to the measures provided in this section.

(9) Beginning with the 2002-2003 school year, if at least 5% of a public school's answer sheets from the administration of the Michigan educational assessment program (MEAP) tests are lost by the department or by a state contractor and if the public school can verify that the answer sheets were collected from pupils and forwarded to the department or the contractor, the department shall not assign an accreditation score or school report card grade to the public school for that subject area for the corresponding year for the purposes of determining state accreditation under this section. The department shall not assign an

accreditation score or school report card grade to the public school for that subject area until the results of all tests for the next year are available.

(10) Subsection (9) does not preclude the department from determining whether a public school or a school district has achieved adequate yearly progress for the school year in which the answer sheets were lost for the purposes of the no child left behind act of 2001, Public Law 107-110. However, the department shall ensure that a public school or the school district is not penalized when determining adequate yearly progress status due to the fact that the public school's MEAP answer sheets were lost by the department or by a state contractor, but shall not require a public school or school district to retest pupils or produce scores from another test for this purpose.

(11) The superintendent of public instruction shall annually review and evaluate for accreditation purposes the performance of each school that is unaccredited and as many of the schools that are in interim status as permitted by the department's resources.

(12) The superintendent of public instruction shall, and the intermediate school district to which a school district is constituent, a consortium of intermediate school districts, or any combination thereof may, provide technical assistance, as appropriate, to a school that is unaccredited or that is in interim status upon request of the board of the school district in which the school is located. If requests to the superintendent of public instruction for technical assistance exceed the capacity, priority shall be given to unaccredited schools.

(13) A school that has been unaccredited for 3 consecutive years is subject to 1 or more of the following measures, as determined by the superintendent of public instruction:

(a) The superintendent of public instruction or his or her designee shall appoint at the expense of the affected school district an administrator of the school until the school becomes accredited.

(b) A parent, legal guardian, or person in loco parentis of a child who attends the school may send his or her child to any accredited public school with an appropriate grade level within the school district.

(c) The school, with the approval of the superintendent of public instruction, shall align itself with an existing research-based school improvement model or establish an affiliation for providing assistance to the school with a college or university located in this state.

(d) The school shall be closed.

(14) The superintendent of public instruction shall evaluate the school accreditation program and the status of schools under this section and shall submit an annual report based upon the evaluation to the senate and house committees that have the responsibility for education legislation. The report shall address the reasons each unaccredited school is not accredited and shall recommend legislative action that will result in the accreditation of all public schools in this state.

(15) Beginning with the 2008-2009 school year, a high school shall not be accredited by the department unless the department determines that the high school is providing or has otherwise ensured that all pupils have access to all of the elements of the curriculum required under sections 1278a and 1278b. If it is necessary for the superintendent of public instruction to revise accreditation or summary accreditation standards established under subsection (3) or (4) to comply with the changes made to this section by the amendatory act that added this subsection, the revised standards shall be developed, reviewed, approved, and distributed using the same process as prescribed in subsection (3).

Conditional effective date.

Enacting section 1. This amendatory act does not take effect unless Senate Bill No. 1124 of the 93rd Legislature is enacted into law.

This act is ordered to take immediate effect.
Approved April 20, 2006.
Filed with Secretary of State April 20, 2006.

Compiler's note: Senate Bill No. 1124, referred to in enacting section 1, was filed with the Secretary of State April 20, 2006, and became 2006 PA 124, Imd. Eff. Apr. 20, 2006.

[No. 124]

(SB 1124)

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," (MCL 380.1 to 380.1852) by adding section 1278a.

The People of the State of Michigan enact:

380.1278a Requirements for high school diploma.

Sec. 1278a. (1) Except as otherwise provided in this section or section 1278b, beginning with pupils entering grade 8 in 2006, the board of a school district or board of directors of a public school academy shall not award a high school diploma to a pupil unless the pupil meets all of the following:

(a) Has successfully completed all of the following credit requirements of the Michigan merit standard before graduating from high school:

(*i*) At least 4 credits in mathematics that are aligned with subject area content expectations developed by the department and approved by the state board under section 1278b, including completion of at least algebra I, geometry, and algebra II, or an integrated sequence of this course content that consists of 3 credits, and an additional mathematics credit, such as trigonometry, statistics, precalculus, calculus, applied math, accounting, business math, or a retake of algebra II. Each pupil must successfully complete at least 1 mathematics course during his or her final year of high school enrollment.

(*ii*) At least 3 credits in social science that are aligned with subject area content expectations developed by the department and approved by the state board under section 1278b,

including completion of at least 1 credit in United States history and geography, 1 credit in world history and geography, 1/2 credit in economics, and the civics course described in section 1166(2).

(*iii*) At least 1 credit in subject matter that includes both health and physical education aligned with guidelines developed by the department and approved by the state board under section 1278b.

(*iv*) At least 1 credit in visual arts, performing arts, or applied arts, as defined by the department, that is aligned with guidelines developed by the department and approved by the state board under section 1278b.

(*v*) The credit requirements specified in section 1278b(1).

(b) Meets the online course or learning experience requirement of this subsection. A school district or public school academy shall provide the basic level of technology and internet access required by the state board to complete the online course or learning experience. For a pupil to meet this requirement, the pupil shall meet either of the following, as determined by the school district or public school academy:

(*i*) Has successfully completed at least 1 course or learning experience that is presented online, as defined by the department.

(*ii*) The pupil's school district or public school academy has integrated an online experience throughout the high school curriculum by ensuring that each teacher of each course that provides the required credits of the Michigan merit curriculum has integrated an online experience into the course.

(2) In addition to the requirements under subsection (1), beginning with pupils entering grade 3 in 2006, the board of a school district or board of directors of a public school academy shall not award a high school diploma to a pupil unless the pupil has successfully completed during grades 9 to 12 at least 2 credits, as determined by the department, in a language other than English, or the pupil has successfully completed at any time during grades K to 12 course work or other learning experiences that are substantially equivalent to 2 credits in a language other than English, based on guidelines developed by the department. For the purposes of this subsection, all of the following apply:

(a) American sign language is considered to be a language other than English.

(b) The pupil may meet all or part of this requirement with online course work.

(3) The requirements under this section and section 1278b for a high school diploma are in addition to any local requirements imposed by the board of a school district or board of directors of a public school academy. The board of a school district or board of directors of a public school academy, as a local requirement for a high school diploma, may require a pupil to complete some or all of the subject area assessments under section 1279 or the Michigan merit examination under section 1279g, as applicable to the pupil under section 1279g, or may require a pupil to participate in the MIAccess assessments if appropriate for the pupil.

(4) For the purposes of this section and section 1278b, all of the following apply:

(a) A pupil is considered to have completed a credit if the pupil successfully completes the subject area content expectations or guidelines developed by the department that apply to the credit.

(b) A school district or public school academy shall base its determination of whether a pupil has successfully completed the subject area content expectations or guidelines developed by the department that apply to a credit at least in part on the pupil's performance on the assessments developed or selected by the department under section 1278b or

on 1 or more assessments developed or selected by the school district or public school academy that measure a pupil's understanding of the subject area content expectations or guidelines that apply to the credit.

(c) A school district or public school academy shall also grant a pupil a credit if the pupil earns a qualifying score, as determined by the department, on the assessments developed or selected for the subject area by the department under section 1278b or the pupil earns a qualifying score, as determined by the school district or public school academy, on 1 or more assessments developed or selected by the school district or public school academy that measure a pupil's understanding of the subject area content expectations or guidelines that apply to the credit.

(5) If a high school is designated by the superintendent of public instruction as a specialty school and the high school meets the requirements of subsection (6), then the pupils of the high school are not required to successfully complete the 4 credits in English language arts required under section 1278b(1)(a) or the 3 credits in social science required under subsection (1)(a)(*ii*) and the school district or public school academy is not required to ensure that each pupil is offered the curriculum necessary for meeting those English language arts or social science credit requirements. The superintendent of public instruction may designate up to 15 high schools that meet the requirements of this subsection as specialty schools. Subject to this maximum number, the superintendent of public instruction shall designate a high school as a specialty school if the superintendent of public instruction finds that the high school meets all of the following criteria:

(a) The high school incorporates a significant reading and writing component throughout its curriculum.

(b) The high school uses a specialized, innovative, and rigorous curriculum in such areas as performing arts, foreign language, extensive use of internships, or other learning innovations that conform to pioneering innovations among other leading national or international high schools.

(6) A high school that is designated by the superintendent of public instruction as a specialty school under subsection (5) is only exempt from requirements as described under subsection (5) as long as the superintendent of public instruction finds that the high school continues to meet all of the following requirements:

(a) The high school clearly states to prospective pupils and their parents that it does not meet the requirements of the Michigan merit standard under this section and section 1278b but is a designated specialty school that is exempt from some of those requirements and that a pupil who enrolls in the high school and subsequently transfers to a high school that is not a specialty school meeting the requirements of this subsection will be required to comply with the requirements of the Michigan merit standard under this section and section 1278b.

(b) For the most recent year for which the data are available, the mean scores on both the mathematics and science portions of the ACT examination for the pupils of the high school exceed by at least 10% the mean scores on the mathematics and science portions of the ACT examination for the pupils of the school district in which the greatest number of the pupils of the high school reside.

(c) For the most recent year for which the data are available, the high school had a graduation rate of at least 85%, as determined by the department.

(d) For the most recent year for which the data are available, at least 75% of the pupils who graduated from the high school the preceding year are enrolled in a postsecondary institution.

(e) All pupils of the high school are required to meet the mathematics credit requirements of subsection (1)(a)(*i*), with no modification of these requirements under section 1278b(5), and each pupil is offered the curriculum necessary to meet this requirement.

(f) All pupils of the high school are required to meet the science credit requirements of section 1278b(1)(b) and are also required to successfully complete at least 1 additional science credit, for a total of at least 4 science credits, with no modification of these requirements under section 1278b(5), and each pupil is offered the curriculum necessary to meet this requirement.

Conditional effective date.

Enacting section 1. This amendatory act does not take effect unless House Bill No. 5606 of the 93rd Legislature is enacted into law.

This act is ordered to take immediate effect.
Approved April 20, 2006.
Filed with Secretary of State April 20, 2006.

Compiler's note: House Bill No. 5606, referred to in enacting section 1, was filed with the Secretary of State April 20, 2006, and became 2006 PA 123, Imd. Eff. Apr. 20, 2006.

[No. 125]

(HB 4502)

AN ACT to amend 1964 PA 283, entitled "An act to regulate and provide standards for weights and measures, and the packaging and advertising of certain commodities; to provide for a state director and other officials and to prescribe their powers and duties; to provide a fee system for certain inspections and tests; to provide penalties for fraud and deception in the use of false weights and measures and other violations; and to repeal certain acts and parts of acts," by amending section 31 (MCL 290.631), as amended by 2002 PA 208.

The People of the State of Michigan enact:

290.631 Prohibited acts; penalties; fines; closure of facility; inspection; consent order; disposition of fines or recovered amounts; "intentional" defined.

Sec. 31. (1) A person who, by himself or herself or by the person's servant or agent, or as the servant or agent of another person, engages in any of the following acts is guilty of a misdemeanor and may be fined not less than $1,000.00 or not more than $10,000.00, or imprisoned for not more than 1 year, or both:

(a) Use or have in possession for the purpose of using for any commercial purpose specified in section 10, sell, offer, expose for sale or hire, or have in possession for the purpose of selling or hiring, incorrect weights and measures or any device or instrument used or calculated to falsify any weights and measures.

(b) Use or have in possession for current use in the buying or selling of any commodity or thing, for hire or award, or in the computation of any basic charge or payment for services

rendered on the basis of weights and measures or in the determination of weights and measures, when a charge is made for the determination, weights and measures that have not been tested and sealed by the appropriate authority, unless 1 or more of the following conditions are met:

(*i*) A properly executed and completed placed-in-service report has been delivered to the director as notification that the weights and measures have been placed in service by a registered serviceperson.

(*ii*) Permission to use the weights and measures has been received from the appropriate authority.

(*iii*) The weights and measures have been exempted from sealing or testing requirements by section 10 or by rule of the director issued under section 8.

(c) Dispose of rejected or condemned weights and measures in a manner contrary to law or rule.

(d) Remove from weights and measures, contrary to law or rule, a tag, seal, or mark placed on the weights and measures by the appropriate authority.

(e) Sell, offer, or expose for sale less than the quantity he or she represents of a commodity, thing, or service.

(f) Take more than the quantity he or she represents of a commodity, thing, or service when, as buyer, he or she furnishes the weight of the commodity, thing, or service or the measure of the commodity, thing, or service by means of which the amount of the commodity, thing, or service is determined.

(g) Advertise, offer, expose for sale, or sell a commodity, thing, or service in a condition or manner contrary to law.

(h) Use in retail trade, except in the preparation of packages put up in advance of sale and of medical prescriptions, weights and measures that are not so positioned that their indications may be accurately read and the weighing or measuring operation observed from some position which may reasonably be occupied by a customer.

(i) Violate a provision of this act or of the rule promulgated under this act for which a specific penalty has not been prescribed.

(j) Sell, offer, or expose for sale to licensed wholesale distributors and dealers gasoline or any middle distillate petroleum product on any basis other than a U.S. gallon of 231 cubic inches or metric equivalent unless freely requested to do so in writing by a licensed wholesale distributor, dealer, or end user for an annual period of time or for the length of the contract. This subdivision does not apply to the sale or offer for sale of number 4, 5, or 6 petroleum fuels as described as having American petroleum institute gravity at 60°F of 28 or less, a specific gravity greater than .8871 and does not apply to the sale or exchange of gasoline or any middle distillate petroleum product among petroleum refiners.

(k) Deliver or issue a weight quantity determination or a measure quantity determination upon which a commercial transaction is, or is intended to be, computed without the use of weights and measures.

(*l*) Fail to pay a fee or fine imposed under this act.

(2) A person who, by himself or herself or by the person's servant or agent, or as a servant or agent of another person, fails to disclose to the department any knowledge of information relating to, or observation of, any device or instrument added to or modifying any weight or modifying any measure for the purpose of selling, offering, or exposing for sale less than the quantity represented of a commodity or calculated to falsify the weight or measure, if the person is an owner or employee of an entity involved in the installation, repair, sale, or inspection of weights and measures, is guilty of a misdemeanor and may be fined not more than $1,000.00, or imprisoned for not more than 90 days, or both.

(3) A person who, by himself or herself or by the person's servant or agent, or as a servant or agent of another person, performs any of the following acts is guilty of a felony and may be fined not less than $1,000.00 or not more than $20,000.00, by a fine of not more than twice the amount of any money gained for each day on which a violation has been found, by imprisonment for not more than 5 years, or by all of these penalties:

(a) Adds to or modifies commercial weights and measures by the addition of a device or instrument that would allow the sale, or the offering or exposure for sale, of less than the quantity represented of a commodity or the falsification of the weights and measures.

(b) Intentionally commits any of the acts listed in subsection (1) or (2).

(c) Violates a prohibited act as listed in this section within 24 months after 2 previous violations of this section that resulted in convictions.

(4) When a violation results in a conviction under this act, the court may assess against the defendant or his or her agent the costs of investigation and the money shall be paid to the agency that incurred the expense.

(5) In addition to any other applicable penalties prescribed in this act, the department may assess the civil fines described in this subsection. An owner of a motor fuel delivery facility that has intentionally delivered less fuel to a retail customer than indicated by the gas pump metering device is subject to the following:

(a) If the violation is a first violation, the owner is responsible for a civil fine of $5,000.00.

(b) If the violation is a second violation, the owner is responsible for a civil fine of $10,000.00.

(c) If the violation is a third violation or a violation subsequent to the third violation, the owner is responsible for a civil fine of $25,000.00.

(6) The department may close any facility that is responsible for a violation described in subsection (5) until the owner can demonstrate to the department that the problem is corrected.

(7) The department shall inspect motor fuel facilities with 3 or more violations under subsection (5) at least annually.

(8) Any of the fines described in subsection (5) may be embodied in a consent order under section 31a.

(9) Any civil fines or recovery of any economic benefits associated with a violation of this act and collected under this section shall be paid to the general fund and credited to the department for the enforcement of this act.

(10) As used in this section, "intentional" means the presence of additional piping, electronic switches, or any other device or act that is designed to reduce the volume of motor fuel delivered as compared to the stated volume on the gas pump metering device.

Inspection and testing.

Enacting section 1. It is the intention of the legislature that the department establish periodic inspection and testing of fuel delivery systems and that owners of fuel delivery systems calibrate these systems periodically.

This act is ordered to take immediate effect.

Approved May 2, 2006.

Filed with Secretary of State May 2, 2006.

[No. 126]

(HB 5199)

AN ACT to amend 2001 PA 142, entitled "An act to consolidate prior acts naming certain Michigan highways; to provide for the naming of certain highways; to prescribe certain duties of the state transportation department; and to repeal acts and parts of acts and certain resolutions," by amending section 29 (MCL 250.1029).

The People of the State of Michigan enact:

250.1029 "Philip A. Hart Memorial Highway."

Sec. 29. Highway I-275 beginning at the intersection of I-275 and I-75 in Monroe county and extending north to I-96 in Oakland county shall be known as the "Philip A. Hart Memorial Highway".

This act is ordered to take immediate effect.
Approved May 2, 2006.
Filed with Secretary of State May 2, 2006.

[No. 127]

(HB 5643)

AN ACT to amend 1984 PA 118, entitled "An act regarding county jails and prisoners housed therein; to provide certain powers and duties of county officials; and to provide for the reimbursement of certain expenses incurred by counties in regard to prisoners confined in county jails," by amending section 7 (MCL 801.87), as amended by 1996 PA 544.

The People of the State of Michigan enact:

801.87 Civil action for reimbursement; consideration by court; money judgment; order.

Sec. 7. (1) Within 6 years after the release from a county jail of a sentenced prisoner or a pretrial detainee whose prosecution resulted in conviction for a felony, an attorney for that county may file a civil action to seek reimbursement from that person for maintenance and support of that person while he or she is or was confined in the jail, or for any other expense for which the county may be reimbursed under section 3, as provided in this section and sections 8 to 10.

(2) A civil action brought under this act shall be instituted in the name of the county in which the jail is located and shall state the following, as applicable:

(a) In the case of a prisoner sentenced to the jail, the date and place of sentence, the length of time set forth in the sentence, the length of time actually served, and the amount or amounts due to the county pursuant to section 3.

(b) In the case of a person imprisoned as a pretrial detainee on a charge or charges that resulted in conviction for a felony, the length of pretrial detention and the amount or amounts due to the county pursuant to section 3.

(3) Before entering any order on behalf of the county against the defendant, the court shall take into consideration any legal obligation of the defendant to support a spouse, minor

children, or other dependents and any moral obligation to support dependents to whom the defendant is providing or has in fact provided support.

(4) The court may enter a money judgment against the defendant and may order that the defendant's property is liable for reimbursement for maintenance and support of the defendant as a prisoner and for other expenses reimbursable under section 3.

This act is ordered to take immediate effect.
Approved May 2, 2006.
Filed with Secretary of State May 2, 2006.

[No. 128]

(HB 5490)

AN ACT to amend 1961 PA 236, entitled "An act to revise and consolidate the statutes relating to the organization and jurisdiction of the courts of this state; the powers and duties of such courts, and of the judges and other officers thereof; the forms and attributes of civil claims and actions; the time within which civil actions and proceedings may be brought in said courts; pleading, evidence, practice and procedure in civil and criminal actions and proceedings in said courts; to provide remedies and penalties for the violation of certain provisions of this act; to repeal all acts and parts of acts inconsistent with or contravening any of the provisions of this act; and to repeal acts and parts of acts," by amending sections 4703, 4704, 4705, and 4708 (MCL 600.4703, 600.4704, 600.4705, and 600.4708), as added by 1988 PA 104.

The People of the State of Michigan enact:

600.4703 Order of seizure; seizure without process; order authorizing filing of lien notice; return of property to victim; property in custody of seizing agency; powers of seizing agency; disposition of seized money.

Sec. 4703. (1) Personal property subject to forfeiture under this chapter may be seized pursuant to an order of seizure issued by the court having jurisdiction over the property upon a showing of probable cause that the property is subject to forfeiture.

(2) Personal property subject to forfeiture under this chapter may be seized without process under any of the following circumstances:

(a) The property is the proceeds of a crime or an instrumentality of a crime and the seizure is incident to a lawful arrest.

(b) The seizure is pursuant to a valid search warrant.

(c) The seizure is pursuant to an inspection under a valid administrative inspection warrant.

(d) There is probable cause to believe that the property is directly or indirectly dangerous to health or safety.

(e) Exigent circumstances exist that preclude the obtaining of a court order, and there is probable cause to believe that the property is the proceeds of a crime or an instrumentality of a crime.

(f) The property is the subject of a prior judgment in favor of this state in a forfeiture proceeding.

(3) The attorney general, or the prosecuting attorney or the city or township attorney for the local unit of government in which the property is located, may apply ex parte for an order authorizing the filing of a lien notice against real property subject to forfeiture under this chapter. The application shall be supported by a sworn affidavit setting forth probable cause for a forfeiture action pursuant to this chapter. An order authorizing the filing of a lien notice may be issued upon a showing of probable cause to believe that the property is the proceeds of a crime or the substituted proceeds of a crime.

(4) Property that belongs to the victim of a crime shall promptly be returned to the victim, except in the following circumstances:

(a) If the property is contraband.

(b) If the ownership of the property is disputed until the dispute is resolved.

(c) If the property is required to be retained as evidence pursuant to section 4(4) of the crime victim's rights act, 1985 PA 87, MCL 780.754.

(5) Personal property seized under this chapter is not subject to any other action to recover personal property, but is considered to be in the custody of the seizing agency subject only to subsection (4) and sections 4705 to 4707, or to an order and judgment of the court having jurisdiction over the forfeiture proceedings. Except as provided in subsection (6), when property is seized under this chapter, the seizing agency may do either or both of the following:

(a) Place the property under seal.

(b) Remove the property to a place designated by the court.

(6) The seizing agency may deposit money seized under this chapter into an interest-bearing account in a financial institution. As used in this subsection, "financial institution" means a state or nationally chartered bank or a state or federally chartered savings and loan association, savings bank, or credit union whose deposits are insured by an agency of the United States government and that maintains a principal office or branch office located in this state under the laws of this state or the United States.

600.4704 Notice generally.

Sec. 4704. (1) Within 7 days after personal property is seized or a lien notice is filed against real property under section 4703, the seizing agency or, if the property is real property, the attorney general, the prosecuting attorney, or the city or township attorney shall give notice of the seizure of the property and the intent to forfeit and dispose of the property according to this chapter to each of the following persons:

(a) If charges have been filed against a person for a crime, the person charged.

(b) Each person with a known ownership interest in the property.

(c) Each mortgagee, person holding a security interest, or person having a lien that appears on the certificate of title or is on file with the secretary of state or appropriate register of deeds, if the property is real property, a mobile home, motor vehicle, watercraft, or other personal property.

(d) Each holder of a preferred ship mortgage of record in the appropriate public office pursuant to 46 USC 30101, 31301-31343, if the property is a watercraft more than 28 feet long or a watercraft that has a capacity of 5 net tons or more.

(e) Each person whose security interest is recorded with the appropriate public office pursuant to the federal aviation act of 1958, Public Law 85-726, if the property is an aircraft, aircraft engine, or aircraft propeller, or a part of an aircraft, aircraft engine, or aircraft propeller.

(f) Each person with a known security interest in the property.

(g) Each victim of the crime.

(2) The notice required under subsection (1) shall be a written notice delivered to the person or sent to the person by certified mail. If the name and address of the person are not reasonably ascertainable or delivery of the notice cannot reasonably be accomplished, the notice shall be published in a newspaper of general circulation in the county in which the personal property was seized or the real property is located for 10 successive publishing days. Proof of written notice or publication shall be filed with the court having jurisdiction over the seizure or forfeiture.

(3) If personal property was seized, the seizing agency shall immediately notify the prosecuting attorney for the county in which the property was seized or, if the attorney general is actively handling a case involving or relating to the property, the attorney general of the seizure of the property and the intent to forfeit and dispose of the property according to this chapter.

(4) An attorney for a person described in subsection (1)(a) shall be afforded a period of 60 days within which to examine money seized under section 4703. This 60-day period shall begin to run after notice is given under subsection (1) but before the money is deposited into a financial institution.

600.4705 Motion to return property or discharge lien; grounds; hearing; burden of proof; order; filing lien against vehicle and returning vehicle to owner; admissibility of testimony in criminal prosecution.

Sec. 4705. (1) A person who did not have prior knowledge of, or consent to the commission of, the crime may move the court having jurisdiction to return the property or discharge the lien on the grounds that the property was illegally seized, that the property is not subject to forfeiture under this chapter, or that the person has an ownership or security interest in the property and did not have prior knowledge of, or consent to the commission of, the crime. The court shall hear the motion within 30 days after the motion is filed.

(2) At the hearing on the motion filed under subsection (1), the attorney general, or the prosecuting attorney or the city or township attorney for the local unit of government in which the property was seized or the lien was filed, shall establish the following:

(a) Probable cause to believe that the property is subject to forfeiture under this chapter and that the person filing the motion had prior knowledge of, or consented to the commission of, the crime.

(b) If the person filing the motion claims the property was illegally seized, that the property was properly seized.

(3) If the attorney general, prosecuting attorney, or city or township attorney fails to sustain his or her burden of proof under subsection (2), the court shall order the return of the property, including any interest earned on money deposited in a financial institution as described in section 4703(6), or the discharge of the lien.

(4) If a motor vehicle is seized under section 4703, the owner of the vehicle may move the court having jurisdiction over the forfeiture proceedings to require the seizing agency to file a lien against the vehicle and to return the vehicle to the owner. The court shall hear the motion within 7 days after the motion is filed. If the owner of the vehicle establishes at the hearing that he or she holds the legal title of the vehicle and that it is necessary for him or her or his or her family to use the vehicle pending the outcome of the forfeiture action, the court may order the seizing agency to return the vehicle to the owner. If the court orders the return of the vehicle to the owner, the court shall order the seizing agency to file a lien against the vehicle.

(5) The testimony of a person at a hearing held under this section is not admissible against him or her in any criminal proceeding except in a criminal prosecution for perjury. The testimony of a person at a hearing held under this section does not waive the person's constitutional right against self-incrimination.

600.4708 Sale of property; disposition of proceeds or other things of value; priority; appointment, compensation, and authority of receiver.

Sec. 4708. (1) When property is forfeited under this chapter, the unit of government that seized or filed a lien against the property may sell the property that is not required to be destroyed by law and that is not harmful to the public and may dispose of the proceeds and any money, including any interest earned on money deposited in a financial institution as described in section 4703(6), negotiable instrument, security, or other thing of value that is forfeited pursuant to this chapter in the following order of priority:

(a) Pay any outstanding security interest of a secured party who did not have prior knowledge of, or consent to the commission of, the crime.

(b) Satisfy any order of restitution in the prosecution for the crime.

(c) Pay the claim of each person who shows that he or she is a victim of the crime to the extent that the claim is not covered by an order of restitution.

(d) Pay any outstanding lien against the property that has been imposed by a governmental unit.

(e) Pay the proper expenses of the proceedings for forfeiture and sale, including, but not limited to, expenses incurred during the seizure process and expenses for maintaining custody of the property, advertising, and court costs.

(f) The balance remaining after the payment of restitution, the claims of victims, outstanding liens, and expenses shall be distributed by the court having jurisdiction over the forfeiture proceedings to the unit or units of government substantially involved in effecting the forfeiture. Seventy-five percent of the money received by a unit of government under this subdivision shall be used to enhance enforcement of the criminal laws and 25% of the money shall be used to implement the crime victim's rights act, 1985 PA 87, MCL 780.751 to 780.834. A unit of government receiving money under this subdivision shall report annually to the department of management and budget the amount of money received under this subdivision that was used to enhance enforcement of the criminal laws and the amount that was used to implement the crime victim's rights act.

(2) In the course of selling real property pursuant to subsection (1), the court that enters an order of forfeiture, on motion of the unit of government to whom the property is forfeited, may appoint a receiver to dispose of the real property forfeited. The receiver is entitled to reasonable compensation. The receiver has authority to do all of the following:

(a) List the forfeited real property for sale.

(b) Make whatever arrangements are necessary for the maintenance and preservation of the forfeited real property.

(c) Accept offers to purchase the forfeited real property.

(d) Execute instruments transferring title to the forfeited real property.

This act is ordered to take immediate effect.
Approved May 5, 2006.
Filed with Secretary of State May 5, 2006.

[No. 129]

(HB 5823)

AN ACT to amend 1931 PA 328, entitled "An act to revise, consolidate, codify, and add to the statutes relating to crimes; to define crimes and prescribe the penalties and remedies; to provide for restitution under certain circumstances; to provide for the competency of evidence at the trial of persons accused of crime; to provide immunity from prosecution for certain witnesses appearing at such trials; and to repeal certain acts and parts of acts inconsistent with or contravening any of the provisions of this act," by amending sections 49, 159j, and 535a (MCL 750.49, 750.159j, and 750.535a), section 49 as amended by 1998 PA 38, section 159j as added by 1995 PA 187, and section 535a as amended by 1999 PA 185.

The People of the State of Michigan enact:

750.49 Animal; definition; fighting, baiting, or shooting; prohibited conduct; violation as felony; costs; dog trained or used for fighting or offspring of dog trained or used for fighting; prohibited conduct; exceptions; confiscation of dog; award of dog to animal welfare agency; euthanasia; expenses; forfeiture of animals, equipment, devices, and money; disposition of money seized; additional exceptions.

Sec. 49. (1) As used in this section, "animal" means a vertebrate other than a human.

(2) A person shall not knowingly do any of the following:

(a) Own, possess, use, buy, sell, offer to buy or sell, import, or export an animal for fighting or baiting, or as a target to be shot at as a test of skill in marksmanship.

(b) Be a party to or cause the fighting, baiting, or shooting of an animal as described in subdivision (a).

(c) Rent or otherwise obtain the use of a building, shed, room, yard, ground, or premises for fighting, baiting, or shooting an animal as described in subdivision (a).

(d) Permit the use of a building, shed, room, yard, ground, or premises belonging to him or her or under his or her control for any of the purposes described in this section.

(e) Organize, promote, or collect money for the fighting, baiting, or shooting of an animal as described in subdivisions (a) to (d).

(f) Be present at a building, shed, room, yard, ground, or premises where preparations are being made for an exhibition described in subdivisions (a) to (d), or be present at the exhibition, knowing that an exhibition is taking place or about to take place.

(g) Breed, buy, sell, offer to buy or sell, exchange, import, or export an animal the person knows has been trained or used for fighting as described in subdivisions (a) to (d), or breed, buy, sell, offer to buy or sell, exchange, import, or export the offspring of an animal the person knows has been trained or used for fighting as described in subdivisions (a) to (d). This subdivision does not prohibit owning, breeding, buying, selling, offering to buy or sell, exchanging, importing, or exporting an animal for agricultural or agricultural exposition purposes.

(h) Own, possess, use, buy, sell, offer to buy or sell, transport, or deliver any device or equipment intended for use in the fighting, baiting, or shooting of an animal as described in subdivisions (a) to (d).

(3) A person who violates subsection (2)(a) to (e) is guilty of a felony punishable by 1 or more of the following:

(a) Imprisonment for not more than 4 years.

(b) A fine of not less than $5,000.00 or more than $50,000.00.

(c) Not less than 500 or more than 1,000 hours of community service.

(4) A person who violates subsection (2)(f) to (h) is guilty of a felony punishable by 1 or more of the following:

(a) Imprisonment for not more than 4 years.

(b) A fine of not less than $1,000.00 or more than $5,000.00.

(c) Not less than 250 or more than 500 hours of community service.

(5) The court may order a person convicted of violating this section to pay the costs of prosecution.

(6) The court may order a person convicted of violating this section to pay the costs for housing and caring for the animal, including, but not limited to, providing veterinary medical treatment.

(7) As part of the sentence for a violation of subsection (2), the court shall order the person convicted not to own or possess an animal of the same species involved in the violation of this section for 5 years after the date of sentencing. Failure to comply with the order of the court pursuant to this subsection is punishable as contempt of court.

(8) If a person incites an animal trained or used for fighting or an animal that is the first or second generation offspring of an animal trained or used for fighting to attack a person and thereby causes the death of that person, the owner is guilty of a felony punishable by imprisonment for life or for a term of years greater than 15 years.

(9) If a person incites an animal trained or used for fighting or an animal that is the first or second generation offspring of an animal trained or used for fighting to attack a person, but the attack does not result in the death of the person, the owner is guilty of a felony punishable by imprisonment for not more than 4 years or a fine of not more than $2,000.00, or both.

(10) If an animal trained or used for fighting or an animal that is the first or second generation offspring of an animal trained or used for fighting attacks a person without provocation and causes the death of that person, the owner of the animal is guilty of a felony punishable by imprisonment for not more than 15 years.

(11) If an animal trained or used for fighting or an animal that is the first or second generation offspring of an animal trained or used for fighting attacks a person without provocation, but the attack does not cause the death of the person, the owner is guilty of a misdemeanor punishable by imprisonment for not more than 1 year or a fine of not more than $1,000.00, or both.

(12) Subsections (8) to (11) do not apply if the person attacked was committing or attempting to commit an unlawful act on the property of the owner of the animal.

(13) If an animal trained or used for fighting or an animal that is the first or second generation offspring of a dog trained or used for fighting goes beyond the property limits of its owner without being securely restrained, the owner is guilty of a misdemeanor punishable by imprisonment for not more than 90 days or a fine of not less than $50.00 nor more than $500.00, or both.

(14) If an animal trained or used for fighting or an animal that is the first or second generation offspring of a dog trained or used for fighting is not securely enclosed or restrained

on the owner's property, the owner is guilty of a misdemeanor punishable by imprisonment for not more than 90 days or a fine of not more than $500.00, or both.

(15) Subsections (8) to (14) do not apply to any of the following:

(a) A dog trained or used for fighting, or the first or second generation offspring of a dog trained or used for fighting, that is used by a law enforcement agency of the state or a county, city, village, or township.

(b) A certified leader dog recognized and trained by a national guide dog association for the blind or for persons with disabilities.

(c) A corporation licensed under the private security business and security alarm act, 1968 PA 330, MCL 338.1051 to 338.1083, when a dog trained or used for fighting, or the first or second generation offspring of a dog trained or used for fighting, is used in accordance with the private security business and security alarm act, 1968 PA 330, MCL 338.1051 to 338.1083.

(16) An animal that has been used to fight in violation of this section or that is involved in a violation of subsections (8) to (14) shall be confiscated as contraband by a law enforcement officer and shall not be returned to the owner, trainer, or possessor of the animal. The animal shall be taken to a local humane society or other animal welfare agency. If an animal owner, trainer, or possessor is convicted of violating subsection (2) or subsections (8) to (14), the court shall award the animal involved in the violation to the local humane society or other animal welfare agency.

(17) Upon receiving an animal confiscated under this section, or at any time thereafter, an appointed veterinarian, the humane society, or other animal welfare agency may humanely euthanize the animal if, in the opinion of that veterinarian, humane society, or other animal welfare agency, the animal is injured or diseased past recovery or the animal's continued existence is inhumane so that euthanasia is necessary to relieve pain and suffering.

(18) A humane society or other animal welfare agency that receives an animal under this section shall apply to the district court or municipal court for a hearing to determine whether the animal shall be humanely euthanized because of its lack of any useful purpose and the public safety threat it poses. The court shall hold a hearing not more than 30 days after the filing of the application and shall give notice of the hearing to the owner of the animal. Upon a finding by the court that the animal lacks any useful purpose and poses a threat to public safety, the humane society or other animal welfare agency shall humanely euthanize the animal. Expenses incurred in connection with the housing, care, upkeep, or euthanasia of the animal by a humane society or other animal welfare agency, or by a person, firm, partnership, corporation, or other entity, shall be assessed against the owner of the animal.

(19) Subject to subsections (16) to (18), all animals being used or to be used in fighting, equipment, devices and money involved in a violation of subsection (2) shall be forfeited to the state. All other instrumentalities, proceeds, and substituted proceeds of a violation of subsection (2) are subject to forfeiture under chapter 47 of the revised judicature act of 1961, 1961 PA 236, MCL 600.4701 to 600.4709.

(20) The seizing agency may deposit money seized under subsection (19) into an interest-bearing account in a financial institution. As used in this subsection, "financial institution" means a state or nationally chartered bank or a state or federally chartered savings and loan association, savings bank, or credit union whose deposits are insured by an agency of the United States government and that maintains a principal office or branch office located in this state under the laws of this state or the United States.

(21) An attorney for a person who is charged with a violation of subsection (2) involving or related to money seized under subsection (19) shall be afforded a period of 60 days within which to examine that money. This 60-day period shall begin to run after notice of forfeiture is given but before the money is deposited into a financial institution under subsection (20). If the attorney general, prosecuting attorney, or city or township attorney fails to sustain his or her burden of proof in forfeiture proceedings under subsection (19), the court shall order the return of the money, including any interest earned on money deposited into a financial institution under subsection (20).

(22) This section does not apply to conduct that is permitted by and is in compliance with any of the following:

(a) Part 401 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.40101 to 324.40119.

(b) Part 435 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.43501 to 324.43561.

(c) Part 427 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.42701 to 324.42714.

(d) Part 417 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.41701 to 324.41712.

(23) This section does not prohibit a person from being charged with, convicted of, or punished for any other violation of law that is committed by that person while violating this section.

750.159j Violation as felony; penalties; imposition of costs; order to criminally forfeit property; additional authority of court; conditions for entering order of criminal forfeiture; attorney fees; determination of extent of property; property not reachable; retention of property by law enforcement agency; disposition of money seized; seizure; other criminal or civil remedies not precluded.

Sec. 159j. (1) A person who violates section 159i is guilty of a felony punishable by imprisonment for not more than 20 years or a fine of not more than $100,000.00, or both.

(2) In addition to any penalty imposed under subsection (1), the court may do 1 or more of the following with respect to a person convicted under section 159i:

(a) Order the person to pay court costs.

(b) Order the person to pay to the state or local law enforcement agency that handled the investigation and prosecution the costs of the investigation and prosecution that are reasonably incurred.

(3) The court shall hold a hearing to determine the amount of court costs and other costs to be imposed under subsection (2).

(4) The court shall order a person convicted of a violation of section 159i to criminally forfeit to the state any real, personal, or intangible property in which he or she has an interest and that was used in the course of, intended for use in the course of, derived from, or realized through conduct in violation of section 159i, including any property constituting an interest in, means of control over, or influence over the enterprise involved in the violation and any property constituting proceeds derived from the violation. The court's authority under this subsection also includes, but is not limited to, the authority to do any of the following:

(a) Order the convicted person to divest himself or herself of any interest, direct or indirect, in the enterprise.

(b) Impose reasonable restrictions on the future activities or investments of the convicted person, including prohibiting the convicted person from engaging in the same type of endeavor as the enterprise engaged in.

(c) Order the dissolution or reorganization of an enterprise upon finding that, for the prevention of future criminal activity, the public interest requires the dissolution or reorganization. This subdivision does not apply to the extent that an order of dissolution or reorganization is preempted by chapter 7 of the national labor relations act, 29 USC 141 to 187.

(d) Order the suspension or revocation of a license, permit, or prior approval granted to an enterprise by any agency of the state, county, or other political subdivision upon finding that, for the prevention of future criminal activity, the public interest requires the suspension or revocation.

(e) Order the surrender of the charter of a corporation organized under the laws of this state or the revocation of a certificate authorizing a foreign corporation to conduct business within this state upon finding that the board of directors or a managerial agent acting on behalf of the corporation, in conducting the affairs of the corporation, authorized or engaged in racketeering and, for the prevention of future criminal activity, that the public interest requires that the charter or certificate of the corporation be surrendered or revoked.

(5) A sentence ordering criminal forfeiture under this section shall not be entered unless the indictment or information alleges the extent of the property subject to forfeiture, or unless the sentence requires the forfeiture of property that was not reasonably foreseen to be subject to forfeiture at the time of the indictment or information, if the prosecuting agency gave prompt notice to the defendant of the property not reasonably foreseen to be subject to forfeiture when it was discovered to be forfeitable.

(6) Reasonable attorney fees for representation in an action under this chapter are not subject to criminal forfeiture under this chapter.

(7) At sentencing and following a hearing, the court shall determine the extent of the property subject to forfeiture, if any, and shall enter an order of forfeiture. The court may base its determination on evidence in the trial record.

(8) If any property included in the order of forfeiture under this section cannot be located or has been sold to a bona fide purchaser for value, placed beyond the jurisdiction of the court, substantially diminished in value by the conduct of the defendant, or commingled with other property that cannot be divided without difficulty or undue injury to innocent persons, the court shall order forfeiture of any other reachable property of the defendant up to the value of the property that is unreachable.

(9) All property ordered forfeited under this section shall be retained by the law enforcement agency that seized it for disposal pursuant to section 159r.

(10) The seizing agency may deposit money seized under this section into an interest-bearing account in a financial institution. As used in this subsection, "financial institution" means a state or nationally chartered bank or a state or federally chartered savings and loan association, savings bank, or credit union whose deposits are insured by an agency of the United States government and that maintains a principal office or branch office located in this state under the laws of this state or the United States.

(11) An attorney for a person who is charged with a violation of section 159i involving or related to money seized by a law enforcement agency that is subject to criminal forfeiture under this section shall be afforded a period of 60 days within which to examine that money. This 60-day period shall begin to run after notice of forfeiture is given but

before the money is deposited into a financial institution under subsection (10). If the prosecuting agency fails to sustain its burden of proof in criminal proceedings under section 159i, the court shall order the return of the money, including any interest earned on money deposited into a financial institution under subsection (10).

(12) An order of criminal forfeiture entered under this section shall authorize an appropriate law enforcement agency to seize the property declared criminally forfeited under this section upon those terms and conditions relating to the time and manner of seizure the court determines proper.

(13) Criminal penalties under this section are not mutually exclusive and do not preclude the application of any other criminal or civil remedy under this section or any other provision of law.

750.535a Definitions; owning, operating, or conducting chop shop; aiding and abetting; felony; penalty; second or subsequent conviction; restitution; property subject to seizure or forfeiture; process; disposition of money seized; seizure without process; bond; duties of seizing law enforcement agency; return of property; hearing; notice to rightful owner; interest of secured party; return of property seized to rightful owner; sale of unclaimed stolen property; sale of forfeited property; distribution of proceeds; enhancement of law enforcement efforts; applicability of section.

Sec. 535a. (1) As used in this section:

(a) "Bona fide purchaser for value" means a person who purchases property for value in good faith and without notice of any adverse claim to the property.

(b) "Chop shop" means any of the following:

(*i*) Any area, building, storage lot, field, or other premises or place where 1 or more persons are engaged or have engaged in altering, dismantling, reassembling, or in any way concealing or disguising the identity of a stolen motor vehicle or of any major component part of a stolen motor vehicle.

(*ii*) Any area, building, storage lot, field, or other premises or place where there are 3 or more stolen motor vehicles present or where there are major component parts from 3 or more stolen motor vehicles present.

(c) "Major component part" means 1 of the following parts of a motor vehicle:

(*i*) The engine.

(*ii*) The transmission.

(*iii*) The right or left front fender.

(*iv*) The hood.

(*v*) A door allowing entrance to or egress from the passenger compartment of the vehicle.

(*vi*) The front or rear bumper.

(*vii*) The right or left rear quarter panel.

(*viii*) The deck lid, tailgate, or hatchback.

(*ix*) The trunk floor pan.

(*x*) The cargo box of a pickup.

(*xi*) The frame, or if the vehicle has a unitized body, the supporting structure or structures that serve as the frame.

(*xii*) The cab of a truck.

(*xiii*) The body of a passenger vehicle.

(*xiv*) An airbag or airbag assembly.

(*xv*) A wheel or tire.

(*xvi*) Any other part of a motor vehicle that the secretary of state determines is comparable in design or function to any of the parts listed in subparagraphs (*i*) to (*xv*).

(d) "Motor vehicle" means either of the following:

(*i*) A device in, upon, or by which a person or property is or may be transported or drawn upon a highway that is self-propelled or that may be connected to and towed by a self-propelled device.

(*ii*) A land-based device that is self-propelled but not designed for use upon a highway, including, but not limited to, farm machinery, a bulldozer, or a steam shovel.

(2) Except as provided in subsection (3), a person who knowingly owns, operates, or conducts a chop shop or who knowingly aids and abets another person in owning, operating, or conducting a chop shop is guilty of a felony punishable by imprisonment for not more than 10 years or a fine of not more than $250,000.00, or both.

(3) Upon a second or subsequent conviction under this section, the person convicted may be imprisoned for not more than 10 years and shall be fined not less than $10,000.00 or more than $250,000.00, or both.

(4) In addition to any other punishment, a person convicted of violating this section shall be ordered to make restitution to the rightful owner of a stolen motor vehicle or of a stolen major component part, or to the owner's insurer if the owner has already been compensated for the loss by the insurer, for any financial loss sustained as a result of the theft of the motor vehicle or a major component part. Restitution shall be imposed in addition to, but not instead of, any imprisonment or fine imposed.

(5) All of the following are subject to seizure and, if a person is charged with a violation or attempted violation of subsection (2) and is convicted of a violation or attempted violation of subsection (2) or section 415, 416, 535, or 536a, subject to forfeiture:

(a) An engine, tool, machine, implement, device, chemical, or substance used or designed for altering, dismantling, reassembling, or in any other way concealing or disguising the identity of a stolen motor vehicle or any major component part.

(b) A stolen motor vehicle or major component part found at the site of a chop shop or a motor vehicle or major component part for which there is probable cause to believe that it is stolen.

(c) A wrecker, car hauler, or any other motor vehicle that is used or has been used to convey or transport a stolen motor vehicle or major component part.

(d) Any book, record, money, negotiable instrument, or other personal property or real property, except real property that is the primary residence of the spouse or a dependent child of the owner, that is or has been used in a chop shop operation.

(6) Except as provided in subsection (7), property described in subsection (5) may be seized by a state or local law enforcement agency upon process issued by the recorder's court of the city of Detroit or the district or circuit court having jurisdiction over the property. Seizure without process may be made in any of the following cases:

(a) The seizure is incident to an arrest or pursuant to a search warrant or an inspection under an administrative inspection warrant.

(b) The property subject to seizure has been the subject of a prior judgment in favor of this state in a forfeiture proceeding based upon this section.

(c) Exigent circumstances exist that preclude obtaining process and there is probable cause to believe that the property was used or is intended to be used in violation of this section.

(7) To retain property for which seizure and forfeiture are sought under this section pending the forfeiture hearing, a licensed used or secondhand vehicle parts dealer or the owner may post a bond in the amount of 1-1/2 times the value of the property. This subsection does not apply to a motor vehicle or major component part that is to be used as evidence in a criminal proceeding.

(8) If property other than real property is seized under subsection (6), the seizing law enforcement agency shall do 1 or more of the following, subject to subsection (10):

(a) Place the property under seal.

(b) Remove the property to a designated storage area.

(c) Petition the district or circuit court to appoint a custodian to take custody of the property and to remove it to an appropriate location for disposition in accordance with law.

(9) The seizing agency may deposit money seized under subsection (8) into an interest-bearing account in a financial institution. As used in this subsection, "financial institution" means a state or nationally chartered bank or a state or federally chartered savings and loan association, savings bank, or credit union whose deposits are insured by an agency of the United States government and that maintains a principal office or branch office located in this state under the laws of this state or the United States.

(10) An attorney for a person who is charged with a violation of this section involving or related to money seized by a law enforcement agency under this section shall be afforded a period of 60 days within which to examine that money. This 60-day period shall begin to run after notice is given under subsection (12) but before the money is deposited into a financial institution under subsection (9). If the attorney general or prosecuting attorney fails to sustain his or her burden of proof in criminal proceedings under this section, the court shall order the return of the money, including any interest earned on money deposited into a financial institution under subsection (9).

(11) If property is seized without process under subsection (6), within 14 days after the seizure, the seizing agency shall return the property to the person from whom it was seized unless a hearing has been scheduled to determine whether the seizure was proper and reasonable notice of the hearing has been given.

(12) The rightful owner of any property that is to be forfeited under subsection (5) shall be served notice at least 10 days before the matter is to be heard regarding the forfeiture and, if the rightful owner did not know of and did not consent to the commission of the crime, the property shall be returned to the rightful owner. If the rightful owner of the property is not known or cannot be found, notice may be served by publishing notice of the forfeiture hearing not less than 10 days before the date of the hearing in a newspaper of general circulation in the county where the hearing is to be held. The notice shall contain a general description of the property and any serial or registration numbers on the property.

(13) A forfeiture of property encumbered by a bona fide security interest is subject to the interest of the secured party who did not know of or consent to the act or omission in violation of this section.

(14) Any property seized under subsection (6) that was stolen shall be returned to its rightful owner if that ownership can be established to the satisfaction of the seizing law enforcement agency. Any stolen property that is unclaimed after seizure may be sold as provided by law.

(15) Any property forfeited under this section may be sold pursuant to an order of the court. The proceeds of the sale shall be distributed by the court having jurisdiction over the forfeiture proceeding to the entity having budgetary authority over the seizing law enforcement agency. If more than 1 law enforcement agency was substantially involved in effecting the forfeiture, the court having jurisdiction over the forfeiture proceeding shall distribute equitably the proceeds of the sale among the entities having budgetary authority over the seizing law enforcement agencies. Twenty-five percent of the money received by an entity under this subsection shall be used to enhance law enforcement efforts pertaining to this section.

(16) This section does not apply to a person who is a bona fide purchaser for value of the motor vehicle or major component parts described in subsection (1).

This act is ordered to take immediate effect.
Approved May 5, 2006.
Filed with Secretary of State May 5, 2006.

[No. 130]

(HB 5824)

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 7523 (MCL 333.7523), as amended by 1990 PA 336.

The People of the State of Michigan enact:

333.7523 Seizure pursuant to MCL 333.7522; institution of proceedings; procedure; property subject only to section or to order and judgment of court; powers of seizing agency; determining title to forfeited real property; forfeiture of real property encumbered by bona fide security interest; examination of money.

Sec. 7523. (1) If property is seized pursuant to section 7522, forfeiture proceedings shall be instituted promptly. If the property is seized without process as provided under

section 7522, and the total value of the property seized does not exceed $50,000.00, the following procedure shall be used:

(a) The local unit of government that seized the property or, if the property was seized by the state, the state shall notify the owner of the property that the property has been seized, and that the local unit of government or, if applicable, the state intends to forfeit and dispose of the property by delivering a written notice to the owner of the property or by sending the notice to the owner by certified mail. If the name and address of the owner are not reasonably ascertainable, or delivery of the notice cannot be reasonably accomplished, the notice shall be published in a newspaper of general circulation in the county in which the property was seized, for 10 successive publishing days.

(b) Unless all criminal proceedings involving or relating to the property have been completed, the seizing agency shall immediately notify the prosecuting attorney for the county in which the property was seized or, if the attorney general is actively handling a case involving or relating to the property, the attorney general of the seizure of the property and the intention to forfeit and dispose of the property.

(c) Any person claiming an interest in property that is the subject of a notice under subdivision (a) may, within 20 days after receipt of the notice or of the date of the first publication of the notice, file a written claim signed by the claimant with the local unit of government or the state expressing his or her interest in the property. Upon the filing of the claim and the giving of a bond to the local unit of government or the state in the amount of 10% of the value of the claimed property, but not less than $250.00 or greater than $5,000.00, with sureties approved by the local unit of government or the state containing the condition that if the property is ordered forfeited by the court the obligor shall pay all costs and expenses of the forfeiture proceedings. The local unit of government or, if applicable, the state shall transmit the claim and bond with a list and description of the property seized to the attorney general, the prosecuting attorney for the county, or the city or township attorney for the local unit of government in which the seizure was made. The attorney general, the prosecuting attorney, or the city or township attorney shall promptly institute forfeiture proceedings after the expiration of the 20-day period. However, unless all criminal proceedings involving or relating to the property have been completed, a city or township attorney shall not institute forfeiture proceedings without the consent of the prosecuting attorney or, if the attorney general is actively handling a case involving or relating to the property, the attorney general.

(d) If no claim is filed or bond given within the 20-day period as described in subdivision (c), the local unit of government or the state shall declare the property forfeited and shall dispose of the property as provided under section 7524. However, unless all criminal proceedings involving or relating to the property have been completed, the local unit of government or the state shall not dispose of the property under this subdivision without the written consent of the prosecuting attorney or, if the attorney general is actively handling a case involving or relating to the property, the attorney general.

(2) Property taken or detained under this article shall not be subject to an action to recover personal property, but is deemed to be in the custody of the seizing agency subject only to this section or an order and judgment of the court having jurisdiction over the forfeiture proceedings. When property is seized under this article, the seizing agency may do any of the following:

(a) Place the property under seal.

(b) Remove the property to a place designated by the court.

(c) Require the administrator to take custody of the property and remove it to an appropriate location for disposition in accordance with law.

(d) Deposit money seized under this article into an interest-bearing account in a financial institution. As used in this subdivision, "financial institution" means a state or nationally chartered bank or a state or federally chartered savings and loan association, savings bank, or credit union whose deposits are insured by an agency of the United States government and that maintains a principal office or branch office located in this state under the laws of this state or the United States.

(3) Title to real property forfeited under this article shall be determined by a court of competent jurisdiction. A forfeiture of real property encumbered by a bona fide security interest is subject to the interest of the secured party who neither had knowledge of nor consented to the act or omission.

(4) An attorney for a person who is charged with a crime involving or related to the money seized under this article shall be afforded a period of 60 days within which to examine that money. This 60-day period shall begin to run after notice is given under subsection (1)(a) but before the money is deposited into a financial institution under subsection (2)(d). If the attorney general, prosecuting attorney, or city or township attorney fails to sustain his or her burden of proof in forfeiture proceedings under this article, the court shall order the return of the money, including any interest earned on money deposited into a financial institution under subsection (2)(d).

This act is ordered to take immediate effect.
Approved May 5, 2006.
Filed with Secretary of State May 5, 2006.

[No. 131]

(HB 5627)

AN ACT to amend 1998 PA 58, entitled "An act to create a commission for the control of the alcoholic beverage traffic within this state, and to prescribe its powers, duties, and limitations; to provide for powers and duties for certain state departments and agencies; to impose certain taxes for certain purposes; to provide for the control of the alcoholic liquor traffic within this state and to provide for the power to establish state liquor stores; to prohibit the use of certain devices for the dispensing of alcoholic vapor; to provide for the care and treatment of alcoholics; to provide for the incorporation of farmer cooperative wineries and the granting of certain rights and privileges to those cooperatives; to provide for the licensing and taxation of activities regulated under this act and the disposition of the money received under this act; to prescribe liability for retail licensees under certain circumstances and to require security for that liability; to provide procedures, defenses, and remedies regarding violations of this act; to provide for the enforcement and to prescribe penalties for violations of this act; to provide for allocation of certain funds for certain purposes; to provide for the confiscation and disposition of property seized under

this act; to provide referenda under certain circumstances; and to repeal acts and parts of acts," by amending section 913 (MCL 436.1913).

The People of the State of Michigan enact:

436.1913 Prohibited conduct; unlicensed premises or place; unlawful consumption of alcoholic liquor; exceptions; construction of section; "consideration" defined.

Sec. 913. (1) A person shall not do either of the following:

(a) Maintain, operate, or lease, or otherwise furnish to any person, any premises or place that is not licensed under this act within which the other person may engage in the drinking of alcoholic liquor for consideration.

(b) Obtain by way of lease or rental agreement, and furnish or provide to any other person, any premises or place that is not licensed under this act within which any other person may engage in the drinking of alcoholic liquor for consideration.

(2) A person shall not consume alcoholic liquor in a commercial establishment selling food if the commercial establishment is not licensed under this act. A person owning, operating, or leasing a commercial establishment selling food which is not licensed under this act shall not allow the consumption of alcoholic liquor on its premises.

(3) This section shall not apply to any hotel or any licensee under this act.

(4) This section shall not be construed to repeal or amend section 1019.

(5) As used in this section, "consideration" includes any fee, cover charge, ticket purchase, the storage of alcoholic liquor, the sale of food, ice, mixers, or other liquids used with alcoholic liquor drinks, or the purchasing of any service or item, or combination of service and item; or includes the furnishing of glassware or other containers for use in the consumption of alcoholic liquor in conjunction with the sale of food.

This act is ordered to take immediate effect.
Approved May 5, 2006.
Filed with Secretary of State May 5, 2006.

[No. 132]

(SB 777)

AN ACT to amend 1965 PA 329, entitled "An act to regulate the labeling, coloration, advertising, sale, offering, exposing, or transporting for sale of agricultural, vegetable, lawn, flower, and forest tree seeds; to authorize the director of agriculture to adopt rules for the enforcement of this act; to provide for the inspection and testing of seed; to prescribe license fees; to prescribe penalties for violation of this act; and to repeal certain acts and parts of acts," (MCL 286.701 to 286.716) by amending the title, as amended by 1988 PA 455, and by adding section 14; and to repeal acts and parts of acts.

The People of the State of Michigan enact:

TITLE

An act to regulate the labeling, coloration, advertising, sale, offering, exposing, or transporting for sale of agricultural, vegetable, lawn, flower, and forest tree seeds; to authorize the director of agriculture to adopt rules for the enforcement of this act; to provide for the inspection and testing of seed; to prescribe license fees; to preempt ordinances prohibiting or regulating certain activities with respect to seeds; and to prescribe penalties for violation of this act.

286.714 Prohibition or regulation of labeling, sale, storage, transportation, distribution, use, or planting of certain seeds; ordinances by local government prohibited; exceptions.

Sec. 14. (1) Except as otherwise provided in this section, a local unit of government shall not adopt, maintain, or enforce an ordinance that prohibits or regulates the labeling, sale, storage, transportation, distribution, use, or planting of agricultural seeds, vegetable seeds, flower seeds, turf grass seeds, or forest tree seeds.

(2) A local unit of government may enact an ordinance prescribing standards different from those contained in this act and rules promulgated under this act and that prohibits or regulates the use or planting of agricultural seeds, vegetable seeds, flower seeds, turf grass seeds, or forest tree seeds under either or both of the following circumstances:

(a) Unreasonable adverse effects on the environment or public health will exist within the local unit of government.

(b) The local unit of government has determined that the activity to be prohibited or regulated within that unit of government has resulted or will result in the violation of other existing state or federal law.

(3) An ordinance enacted pursuant to subsection (2) shall not be enforced by a local unit of government until approved by the commission of agriculture. If the commission of agriculture denies an ordinance enacted pursuant to subsection (2), the commission of agriculture shall provide a detailed explanation of the basis of the denial within 30 days.

(4) Within 60 days after submission to the department of agriculture of a resolution of a local unit of government identifying unreasonable adverse effects on the environment or public health under subsection (2), the department of agriculture shall hold a local public meeting to determine the nature and extent of unreasonable adverse effects on the environment or public health. Within 30 days after the local public meeting, the department of agriculture shall issue a detailed opinion regarding the existence of unreasonable adverse effects on the environment or public health as identified by the resolution of the local unit of government.

(5) Section 15 does not apply to a violation of this section.

(6) This section does not limit the authority of a local unit of government under 1941 PA 359, MCL 247.61 to 247.72.

Repeal of MCL 286.716.

Enacting section 1. Section 16 of the Michigan seed law, 1965 PA 329, MCL 286.716, is repealed.

This act is ordered to take immediate effect.
Approved May 5, 2006.
Filed with Secretary of State May 5, 2006.

[No. 133]

(HB 4423)

AN ACT to amend 1971 PA 227, entitled "An act to prescribe the rights and duties of parties to home solicitation sales; to regulate certain telephone solicitation; to provide for the powers and duties of certain state officers and entities; and to prescribe penalties and remedies," by amending section 1c (MCL 445.111c), as added by 2002 PA 612.

The People of the State of Michigan enact:

445.111c Unfair or deceptive act or practice; violation; penalty; damages.

Sec. 1c. (1) It is an unfair or deceptive act or practice and a violation of this act for a telephone solicitor to do any of the following:

(a) Misrepresent or fail to disclose, in a clear, conspicuous, and intelligible manner and before payment is received from the consumer, all of the following information:

(*i*) Total purchase price to the consumer of the goods or services to be received.

(*ii*) Any restrictions, limitations, or conditions to purchase or to use the goods or services that are the subject of an offer to sell goods or services.

(*iii*) Any material term or condition of the seller's refund, cancellation, or exchange policy, including a consumer's right to cancel a home solicitation sale under section 2 and, if applicable, that the seller does not have a refund, cancellation, or exchange policy.

(*iv*) Any material costs or conditions related to receiving a prize, including the odds of winning the prize, and if the odds are not calculable in advance, the factors used in calculating the odds, the nature and value of a prize, that no purchase is necessary to win the prize, and the "no purchase required" method of entering the contest.

(*v*) Any material aspect of an investment opportunity the seller is offering, including, but not limited to, risk, liquidity, earnings potential, market value, and profitability.

(*vi*) The quantity and any material aspect of the quality or basic characteristics of any goods or services offered.

(*vii*) The right to cancel a sale under this act, if any.

(b) Misrepresent any material aspect of the quality or basic characteristics of any goods or services offered.

(c) Make a false or misleading statement with the purpose of inducing a consumer to pay for goods or services.

(d) Request or accept payment from a consumer or make or submit any charge to the consumer's credit or bank account before the telephone solicitor or seller receives from the consumer an express verifiable authorization. As used in this subdivision, "verifiable authorization" means a written authorization or confirmation, an oral authorization recorded by the telephone solicitor, or confirmation through an independent third party.

(e) Offer to a consumer in this state a prize promotion in which a purchase or payment is necessary to obtain the prize.

(f) Fail to comply with the requirements of section 1a or 1b.

(g) Make a telephone solicitation to a consumer in this state who has requested that he or she not receive calls from the organization or other person on whose behalf the telephone solicitation is made.

(h) While making a telephone solicitation, misrepresent in a message left for a consumer on his or her answering machine or voice mail that the consumer has a current business matter or transaction or a current business or customer relationship with the telephone solicitor or another person and request that the consumer call the telephone solicitor or another person to discuss that matter, transaction, or relationship.

(2) Except as provided in this subsection, beginning 210 days after the effective date of the amendatory act that added this section, a person who knowingly or intentionally violates this section is guilty of a misdemeanor punishable by imprisonment for not more than 6 months or a fine of not more than $500.00, or both. This subsection does not prohibit a person from being charged with, convicted of, or punished for any other crime including any other violation of law arising out of the same transaction as the violation of this section. This subsection does not apply if the violation of this section is a failure to comply with the requirements of section 1a(1), (4), or (5) or section 1b.

(3) A person who suffers loss as a result of violation of this section may bring an action to recover actual damages or $250.00, whichever is greater, together with reasonable attorney fees. This subsection does not prevent the consumer from asserting his or her rights under this act if the telephone solicitation results in a home solicitation sale, or asserting any other rights or claims the consumer may have under applicable state or federal law.

This act is ordered to take immediate effect.
Approved May 10, 2006.
Filed with Secretary of State May 12, 2006.

[No. 134]

(HB 4976)

AN ACT to amend 1978 PA 232, entitled "An act to permit banks and savings and loan associations to suspend business in the event of an existing or impending emergency; to prescribe the powers and duties of bank and savings and loan association officers and certain state officials; and to declare the legal effect of the suspensions of business authorized by this act," by amending the title and sections 1, 2, 3, 4, 5, and 6 (MCL 487.941, 487.942, 487.943, 487.944, 487.945, and 487.946).

The People of the State of Michigan enact:

TITLE

An act to permit financial institutions to suspend business in the event of an existing or impending emergency; to prescribe the powers and duties of financial institution officers and certain state agencies and officials; and to declare the legal effect of the suspensions of business authorized by this act.

487.941 Definitions.

Sec. 1. As used in this act:

(a) "Commissioner" means the commissioner of the office of financial and insurance services in the department of labor and economic growth.

(b) "Emergency" means a condition or occurrence that has or may, directly or indirectly, interfere physically with the conduct of normal business operations of 1 or more offices of a

financial institution, or which poses an imminent or existing threat to the safety and security of a person or property, or both. An emergency may arise as a result of a fire, flood, earthquake, hurricane, tornado, wind, rain, snowstorm, labor dispute or strike, power failure, transportation failure, fuel shortage, interruption of a communication facility, shortage of housing or food, robbery or attempted robbery, actual or threatened enemy or terrorist attack, epidemic or other catastrophe, riot, civil commotion, or any other act of lawlessness or violence.

(c) "Financial institution" means a state chartered bank, savings bank, credit union, or savings and loan association over which the commissioner has regulatory authority for purposes of this act.

(d) "Office" means a place at which a financial institution transacts its business or conducts operations related to its business.

(e) "Officer" means a person designated by the board of directors of a financial institution to carry out this act.

487.942 Authorizing or ordering financial institutions to close offices because of existing or impending emergency; duration; advising governor; authorization to close financial institution on day of national mourning, rejoicing, or other special observance.

Sec. 2. (1) The commissioner may authorize or order a financial institution to close an office or offices if the commissioner determines that the action is required because an emergency exists or may be impending. The office or offices closed shall remain closed until the commissioner determines that the emergency is ended and authorizes or orders the financial institution to open the office or offices. The commissioner shall promptly advise the governor of the issuance of a determination under this subsection.

(2) The commissioner may authorize a financial institution to close on a day designated by proclamation of the president of the United States or the governor of this state as a day of national mourning, rejoicing, or other special observance.

487.943 Determination not to open or to close office of financial institution during emergency.

Sec. 3. If the commissioner has not made a determination under section 2(1) and the chief executive officer of a financial institution or another officer designated by the financial institution for purposes of this act determines that an emergency exists or is impending, the officer may order that an office or offices of the financial institution be closed or not open.

487.944 Notice of closing.

Sec. 4. (1) A financial institution closing or not opening an office or offices under section 3 shall give notice to the commissioner and any other appropriate governmental entity as required by law.

(2) A financial institution that closes or does not open an office or offices under section 3 shall reopen the office or offices as soon as the chief executive officer or other designated officer determines that the emergency is ended or as authorized or ordered by the commissioner.

487.945 Period financial institution closed as legal holiday.

Sec. 5. The period during which a financial institution is closed under this act is a legal holiday.

487.946 Obligations to employees not altered.

Sec. 6. This act does not alter any of the obligations under law of a financial institution to its employees or to the employees of another employer.

This act is ordered to take immediate effect.
Approved May 10, 2006.
Filed with Secretary of State May 12, 2006.

[No. 135]

(HB 5154)

AN ACT to amend 1987 PA 248, entitled "An act to impose a state excise tax on persons engaged in the business of providing an airport parking facility; to provide for the levy, assessment, and collection of the tax; to provide for the disposition of the collections from the tax; to create the airport parking fund; to authorize the distributions from the fund; to authorize the use of distributions from the fund as security for bonds and other obligations; to prescribe certain other matters relating to bonds and other obligations; to prescribe the powers and duties of certain state officers; and to provide for an appropriation," by amending section 7a (MCL 207.377a), as added by 2002 PA 680.

The People of the State of Michigan enact:

207.377a Distribution; priority; "state airports" defined.

Sec. 7a. (1) On the first day of each month, the state treasurer shall make a distribution from the fund in the following order of priority:

(a) To the state aeronautics fund created in section 34 of the aeronautics code of the state of Michigan, 1945 PA 327, MCL 259.34, an amount that equals a total of $6,000,000.00 per state fiscal year. The funds distributed subject to this subdivision shall be used exclusively for safety and security projects at state airports, including reimbursement to the comprehensive transportation fund of amounts used to pay principal and interest on bonds issued on or before December 31, 2007 by the state transportation commission under section 18b of 1951 PA 51, MCL 247.668b, and to provide the matching funds by this state for federal funds to be used for safety and security at state airports.

(b) To each city within which a regional airport facility is wholly located in an amount that equals a total of $1,500,000.00 per calendar year divided by the total number of cities within which a regional airport facility is wholly located. The distribution described in this subdivision shall be deposited in the general fund of the city.

(c) A distribution to each qualified county in an amount equal to the total amount remaining in the fund multiplied by a fraction the numerator of which is the population of that qualified county during the immediately preceding year and the denominator of which is the total population of all qualified counties during the immediately preceding year. The distribution described in this subdivision shall be deposited in the general fund of the qualified county to be used only for indigent health care. Each fiscal year the qualified county shall provide written documentation to the state treasurer, to the state treasurer's satisfaction, that the distribution described in this subdivision was used for indigent health care. In addition, the qualified county shall also provide written documentation to the state treasurer of all other revenues that were used for indigent health care in that fiscal year. If the state treasurer determines that the qualified county did not use the distribution described