(7) The notice required under subsections (2) and (3) shall include all of the following:

(a) The date on which the property was forfeited to the county treasurer.

(b) A statement that the person notified may lose his or her interest in the property as a result of the foreclosure proceeding under section 78k.

(c) A legal description or parcel number of the property and the street address of the property, if available.

(d) The person to whom the notice is addressed.

(e) The total taxes, interest, penalties, and fees due on the property.

(f) The date and time of the show cause hearing under section 78j.

(g) The date and time of the hearing on the petition for foreclosure under section 78k, and a statement that unless the forfeited unpaid delinquent taxes, interest, penalties, and fees are paid on or before the March 31 immediately succeeding the entry of a judgment foreclosing the property under section 78k, or in a contested case within 21 days of the entry of a judgment foreclosing the property under section 78k, the title to the property shall vest absolutely in the foreclosing governmental unit.

(h) An explanation of the person's rights of redemption and notice that the rights of redemption will expire on the March 31 immediately succeeding the entry of a judgment foreclosing the property under section 78k, or in a contested case 21 days after the entry of a judgment foreclosing the property under section 78k.

(8) The published notice required under subsection (5) shall include all of the following:

(a) A legal description or parcel number of each property.

(b) The street address of each property, if available.

(c) The name of any person or entity entitled to notice under this section who has not been notified under subsection (2) or (3).

(d) The date and time of the show cause hearing under section 78j.

(e) The date and time of the hearing on the petition for foreclosure under section 78k.

(f) A statement that unless all forfeited unpaid delinquent taxes, interest, penalties, and fees are paid on or before the March 31 immediately succeeding the entry of a judgment foreclosing the property under section 78k, or in a contested case within 21 days of the entry of a judgment foreclosing the property under section 78k, the title to the property shall vest absolutely in the foreclosing governmental unit.

(g) A statement that a person with an interest in the property may lose his or her interest in the property as a result of the foreclosure proceeding under section 78k.

(9) The owner of a property interest who has been properly served with a notice of the show cause hearing under section 78j and the foreclosure hearing under section 78k and who failed to redeem the property as provided under this act shall not assert any of the following:

(a) That notice was insufficient or inadequate on the grounds that some other owner of a property interest was not also served.

(b) That the redemption period provided under this act was extended in any way on the grounds that some other owner of a property interest was not also served.

(10) The failure of the foreclosing governmental unit to comply with any provision of this section shall not invalidate any proceeding under this act if the owner of a property interest or a person to whom a tax deed was issued is accorded the minimum due process required under the state constitution of 1963 and the constitution of the United States.

(11) As used in this section, "authorized representative" includes all of the following:

(a) A title insurance company or agent licensed to conduct business in this state.

(b) An attorney licensed to practice law in this state.

(c) A person accredited in land title search procedures by a nationally recognized organization in the field of land title searching.

(d) A person with demonstrated experience searching land title records, as determined by the foreclosing governmental unit.

(12) The provisions of this section relating to notice of the show cause hearing under section 78j and the foreclosure hearing under section 78k are exclusive and exhaustive. Other requirements relating to notice or proof of service under other law, rule, or legal requirement are not applicable to notice and proof of service under this section.

### 211.78k Proof of service of notice; filing with circuit court; contesting validity or correctness by person claiming property interest; filing objections; order extending redemption period; entry of judgment; specifications; failure to pay delinquent taxes, interest, penalties, and fees after entry of judgment; appeal to court of appeals; recording judgment or notice of judgment; cancellation; submission of certificate of error.

Sec. 78k. (1) If a petition for foreclosure is filed under section 78h, not later than the date of the hearing, the foreclosing governmental unit shall file with the clerk of the circuit court proof of service of the notice of the show cause hearing under section 78j, proof of service of the notice of the foreclosure hearing under this section, and proof of the personal visit to the property and publication under section 78i.

(2) A person claiming an interest in a parcel of property set forth in the petition for foreclosure may contest the validity or correctness of the forfeited unpaid delinquent taxes, interest, penalties, and fees for 1 or more of the following reasons:

(a) No law authorizes the tax.

(b) The person appointed to decide whether a tax shall be levied under a law of this state acted without jurisdiction, or did not impose the tax in question.

(c) The property was exempt from the tax in question, or the tax was not legally levied.

(d) The tax has been paid within the time limited by law for payment or redemption.

(e) The tax was assessed fraudulently.

(f) The description of the property used in the assessment was so indefinite or erroneous that the forfeiture was void.

(3) A person claiming an interest in a parcel of property set forth in the petition for foreclosure who desires to contest that petition shall file written objections with the clerk of the circuit court and serve those objections on the foreclosing governmental unit prior to the date of the hearing required under this section.

(4) If the court determines that the owner of property subject to foreclosure is a minor heir, is incompetent, is without means of support, or is undergoing a substantial financial hardship, the court may withhold that property from foreclosure for 1 year or may enter an order extending the redemption period as the court determines to be equitable. If the court withholds property from foreclosure under this subsection, a taxing unit's lien for taxes due is not prejudiced and that property shall be included in the immediately succeeding year's tax foreclosure proceeding.

(5) The circuit court shall enter final judgment on a petition for foreclosure filed under section 78h at any time after the hearing under this section but not later than the March 30 immediately succeeding the hearing with the judgment effective on the March 31 immediately succeeding the hearing for uncontested cases or 10 days after the

conclusion of the hearing for contested cases. All redemption rights to the property expire on the March 31 immediately succeeding the entry of a judgment foreclosing the property under this section, or in a contested case 21 days after the entry of a judgment foreclosing the property under this section. The circuit court's judgment shall specify all of the following:

(a) The legal description and, if known, the street address of the property foreclosed and the forfeited unpaid delinquent taxes, interest, penalties, and fees due on each parcel of property.

(b) That fee simple title to property foreclosed by the judgment will vest absolutely in the foreclosing governmental unit, except as otherwise provided in subdivisions (c) and (e), without any further rights of redemption, if all forfeited delinquent taxes, interest, penalties, and fees are not paid on or before the March 31 immediately succeeding the entry of a judgment foreclosing the property under this section, or in a contested case within 21 days of the entry of a judgment foreclosing the property under this section.

(c) That all liens against the property, including any lien for unpaid taxes or special assessments, except future installments of special assessments and liens recorded by this state or the foreclosing governmental unit pursuant to the natural resources and environmental protection act, 1994 PA 451, MCL 324.101 to 324.90106, are extinguished, if all forfeited delinquent taxes, interest, penalties, and fees are not paid on or before the March 31 immediately succeeding the entry of a judgment foreclosing the property under this section, or in a contested case within 21 days of the entry of a judgment foreclosing the property under this section.

(d) That, except as otherwise provided in subdivisions (c) and (e), the foreclosing governmental unit has good and marketable fee simple title to the property, if all forfeited delinquent taxes, interest, penalties, and fees are not paid on or before the March 31 immediately succeeding the entry of a judgment foreclosing the property under this section, or in a contested case within 21 days of the entry of a judgment foreclosing the property under this section.

(e) That all existing recorded and unrecorded interests in that property are extinguished, except a visible or recorded easement or right-of-way, private deed restrictions, or restrictions or other governmental interests imposed pursuant to the natural resources and environmental protection act, 1994 PA 451, MCL 324.101 to 324.90106, if all forfeited delinquent taxes, interest, penalties, and fees are not paid on or before the March 31 immediately succeeding the entry of a judgment foreclosing the property under this section, or in a contested case within 21 days of the entry of a judgment foreclosing the property under this section.

(f) A finding that all persons entitled to notice and an opportunity to be heard have been provided that notice and opportunity. A person shall be deemed to have been provided notice and an opportunity to be heard if the foreclosing governmental unit followed the procedures for provision of notice by mail, for visits to forfeited property, and for publication under section 78i, or if 1 or more of the following apply:

(*i*) The person had constructive notice of the hearing under this section by acquiring an interest in the property after the date the notice of forfeiture is recorded under section 78g.

(*ii*) The person appeared at the hearing under this section or filed written objections with the clerk of the circuit court under subsection (3) prior to the hearing.

(*iii*) Prior to the hearing under this section, the person had actual notice of the hearing.

(g) A judgment entered under this section is a final order with respect to the property affected by the judgment and except as provided in subsection (7) shall not be modified,

stayed, or held invalid after the March 31 immediately succeeding the entry of a judgment foreclosing the property under this section, or for contested cases 21 days after the entry of a judgment foreclosing the property under this section.

(6) Except as otherwise provided in subsection (5)(c) and (e), fee simple title to property set forth in a petition for foreclosure filed under section 78h on which forfeited delinquent taxes, interest, penalties, and fees are not paid on or before the March 31 immediately succeeding the entry of a judgment foreclosing the property under this section, or in a contested case within 21 days of the entry of a judgment foreclosing the property under this section, shall vest absolutely in the foreclosing governmental unit, and the foreclosing governmental unit shall have absolute title to the property. The foreclosing governmental unit's title is not subject to any recorded or unrecorded lien and shall not be stayed or held invalid except as provided in subsection (7) or (9).

(7) The foreclosing governmental unit or a person claiming to have a property interest under section 78i in property foreclosed under this section may appeal the circuit court's order or the circuit court's judgment foreclosing property to the court of appeals. An appeal under this subsection is limited to the record of the proceedings in the circuit court under this section and shall not be de novo. The circuit court's judgment foreclosing property shall be stayed until the court of appeals has reversed, modified, or affirmed that judgment. If an appeal under this subsection stays the circuit court's judgment foreclosing property, the circuit court's judgment is stayed only as to the property that is the subject of that appeal and the circuit court's judgment foreclosing other property that is not the subject of that appeal is not stayed. To appeal the circuit court's judgment foreclosing property, a person appealing the judgment shall pay to the county treasurer the amount determined to be due to the county treasurer under the judgment on or before the March 31 immediately succeeding the entry of a judgment foreclosing the property under this section, or in a contested case within 21 days of the entry of a judgment foreclosing the property under this section, together with a notice of appeal. If the circuit court's judgment foreclosing the property is affirmed on appeal, the amount determined to be due shall be refunded to the person who appealed the judgment. If the circuit court's judgment foreclosing the property is reversed or modified on appeal, the county treasurer shall refund the amount determined to be due to the person who appealed the judgment, if any, and retain the balance in accordance with the order of the court of appeals.

(8) The foreclosing governmental unit shall record a notice of judgment for each parcel of foreclosed property in the office of the register of deeds for the county in which the foreclosed property is located in a form prescribed by the department of treasury.

(9) After the entry of a judgment foreclosing the property under this section, if the property has not been transferred under section 78m to a person other than the foreclosing governmental unit, a foreclosing governmental unit may cancel the foreclosure by recording with the register of deeds for the county in which the property is located a certificate of error in a form prescribed by the department of treasury, if the foreclosing governmental unit discovers any of the following:

(a) The foreclosed property was not subject to taxation on the date of the assessment of the unpaid taxes for which the property was foreclosed.

(b) The description of the property used in the assessment of the unpaid taxes for which the property was foreclosed was so indefinite or erroneous that the forfeiture of the property was void.

(c) The taxes for which the property was foreclosed had been paid to the proper officer within the time provided under this act for the payment of the taxes or the redemption of the property.

(d) A certificate, including a certificate issued under section 135, or other written verification authorized by law was issued by the proper officer within the time provided under this act for the payment of the taxes for which the property was foreclosed or for the redemption of the property.

(e) An owner of an interest in the property entitled to notice under section 78i was not provided notice sufficient to satisfy the minimum requirements of due process required under the state constitution of 1963 and the constitution of the United States.

(f) A judgment of foreclosure was entered under this section in violation of an order issued by a United States bankruptcy court.

(10) A certificate of error submitted to the county register of deeds for recording under subsection (9) need not be notarized and may be authenticated by a digital signature of the foreclosing governmental unit or by other electronic means.

### 211.78*l* Owner of extinguished recorded or unrecorded property interest; claim of failure to receive notice; action to recover monetary damages; right to sue not transferable.

Sec. 78*l*. (1) If a judgment for foreclosure is entered under section 78k and all existing recorded and unrecorded interests in a parcel of property are extinguished as provided in section 78k, the owner of any extinguished recorded or unrecorded interest in that property who claims that he or she did not receive any notice required under this act shall not bring an action for possession of the property against any subsequent owner, but may only bring an action to recover monetary damages as provided in this section.

(2) The court of claims has original and exclusive jurisdiction in any action to recover monetary damages under this section.

(3) An action to recover monetary damages under this section shall not be brought more than 2 years after a judgment for foreclosure is entered under section 78k.

(4) Any monetary damages recoverable under this section shall be determined as of the date a judgment for foreclosure is entered under section 78k and shall not exceed the fair market value of the interest in the property held by the person bringing the action under this section on that date, less any taxes, interest, penalties, and fees owed on the property as of that date.

(5) The right to sue for monetary damages under this section is not transferable except by testate or intestate succession.

### 211.78m Granting state right of first refusal; election by state not to purchase property; purchase of property by city, village, township, or county; property sale at auction; notice of time and location; procedure; property not previously sold; disposition of sale proceeds; joint sale by 2 or more county treasurers; deed recording; "minimum bid" defined; cancellation of taxes upon transfer or retention of property; foreclosed property defined as facility.

Sec. 78m. (1) Not later than the first Tuesday in July, immediately succeeding the entry of judgment under section 78k vesting absolute title to tax delinquent property in the foreclosing governmental unit, this state is granted the right of first refusal to purchase property at the greater of the minimum bid or its fair market value by paying that amount to the foreclosing governmental unit if the foreclosing governmental unit is not this state. If this state elects not to purchase the property under its right of first refusal, a city, village, or township may purchase for a public purpose any property located within that city, village, or township set forth in the judgment and subject to sale under this section by payment to the foreclosing governmental unit of the minimum bid.

If a city, village, or township does not purchase that property, the county in which that property is located may purchase that property under this section by payment to the foreclosing governmental unit of the minimum bid. If property is purchased by a city, village, township, or county under this subsection, the foreclosing governmental unit shall convey the property to the purchasing city, village, township, or county within 30 days. If property purchased by a city, village, township, or county under this subsection is subsequently sold for an amount in excess of the minimum bid and all costs incurred relating to demolition, renovation, improvements, or infrastructure development, the excess amount shall be returned to the delinquent tax property sales proceeds account for the year in which the property was purchased by the city, village, township, or county or, if this state is the foreclosing governmental unit within a county, to the land reutilization fund created under section 78n. Upon the request of the foreclosing governmental unit, a city, village, township, or county that purchased property under this subsection shall provide to the foreclosing governmental unit without cost information regarding any subsequent sale or transfer of the property. This subsection applies to the purchase of property by this state, a city, village, or township, or a county prior to a sale held under subsection (2).

(2) Subject to subsection (1), beginning on the third Tuesday in July immediately succeeding the entry of the judgment under section 78k vesting absolute title to tax delinquent property in the foreclosing governmental unit and ending on the immediately succeeding first Tuesday in November, the foreclosing governmental unit, or its authorized agent, at the option of the foreclosing governmental unit, shall hold at least 2 property sales at 1 or more convenient locations at which property foreclosed by the judgment entered under section 78k shall be sold by auction sale, which may include an auction sale conducted via an internet website. Notice of the time and location of the sales shall be published not less than 30 days before each sale in a newspaper published and circulated in the county in which the property is located, if there is one. If no newspaper is published in that county, publication shall be made in a newspaper published and circulated in an adjoining county. Each sale shall be completed before the first Tuesday in November immediately succeeding the entry of judgment under section 78k vesting absolute title to the tax delinquent property in the foreclosing governmental unit. Except as provided in subsection (5), property shall be sold to the person bidding the highest amount above the minimum bid. The foreclosing governmental unit may sell parcels individually or may offer 2 or more parcels for sale as a group. The minimum bid for a group of parcels shall equal the sum of the minimum bid for each parcel included in the group. The foreclosing governmental unit may adopt procedures governing the conduct of the sale and may cancel the sale prior to the issuance of a deed under this subsection if authorized under the procedures. The foreclosing governmental unit may require full payment by cash, certified check, or money order at the close of each day's bidding. Not more than 30 days after the date of a sale under this subsection, the foreclosing governmental unit shall convey the property by deed to the person bidding the highest amount above the minimum bid. The deed shall vest fee simple title to the property in the person bidding the highest amount above the minimum bid, unless the foreclosing governmental unit discovers a defect in the foreclosure of the property under sections 78 to 78*l*. If this state is the foreclosing governmental unit within a county, the department of natural resources shall conduct the sale of property under this subsection and subsections (4) and (5) on behalf of this state.

(3) For sales held under subsection (2), after the conclusion of that sale, and prior to any additional sale held under subsection (2), a city, village, or township may purchase any property not previously sold under subsection (1) or (2) by paying the minimum bid to the foreclosing governmental unit. If a city, village, or township does not purchase that

property, the county in which that property is located may purchase that property under this section by payment to the foreclosing governmental unit of the minimum bid.

(4) If property is purchased by a city, village, township, or county under subsection (3), the foreclosing governmental unit shall convey the property to the purchasing city, village, or township within 30 days.

(5) All property subject to sale under subsection (2) shall be offered for sale at not less than 2 sales conducted as required by subsection (2). The final sale held under subsection (2) shall be held not less than 28 days after the previous sale under subsection (2). At the final sale held under subsection (2), the sale is subject to the requirements of subsection (2), except that the minimum bid shall not be required. However, the foreclosing governmental unit may establish a reasonable opening bid at the sale to recover the cost of the sale of the parcel or parcels.

(6) On or before December 1 immediately succeeding the date of the sale under subsection (5), a list of all property not previously sold by the foreclosing governmental unit under this section shall be transferred to the clerk of the city, village, or township in which the property is located. The city, village, or township may object in writing to the transfer of 1 or more parcels of property set forth on that list. On or before December 30 immediately succeeding the date of the sale under subsection (5), all property not previously sold by the foreclosing governmental unit under this section shall be transferred to the city, village, or township in which the property is located, except those parcels of property to which the city, village, or township has objected. Property located in both a village and a township may be transferred under this subsection only to a village. The city, village, or township may make the property available under the urban homestead act, 1999 PA 127, MCL 125.2701 to 125.2709, or for any other lawful purpose.

(7) If property not previously sold is not transferred to the city, village, or township in which the property is located under subsection (6), the foreclosing governmental unit shall retain possession of that property. If the foreclosing governmental unit retains possession of the property and the foreclosing governmental unit is this state, title to the property shall vest in the land bank fast track authority created under section 15 of the land bank fast track act.

(8) A foreclosing governmental unit shall deposit the proceeds from the sale of property under this section into a restricted account designated as the "delinquent tax property sales proceeds for the year _____". The foreclosing governmental unit shall direct the investment of the account. The foreclosing governmental unit shall credit to the account interest and earnings from account investments. Proceeds in that account shall only be used by the foreclosing governmental unit for the following purposes in the following order of priority:

(a) The delinquent tax revolving fund shall be reimbursed for all taxes, interest, and fees on all of the property, whether or not all of the property was sold.

(b) All costs of the sale of property for the year shall be paid.

(c) Any costs of the foreclosure proceedings for the year, including, but not limited to, costs of mailing, publication, personal service, and outside contractors shall be paid.

(d) Any costs for the sale of property or foreclosure proceedings for any prior year that have not been paid or reimbursed from that prior year's delinquent tax property sales proceeds shall be paid.

(e) Any costs incurred by the foreclosing governmental unit in maintaining property foreclosed under section 78k before the sale under this section shall be paid, including costs of any environmental remediation.

(f) If the foreclosing governmental unit is not this state, any of the following:

(*i*) Any costs for the sale of property or foreclosure proceedings for any subsequent year that are not paid or reimbursed from that subsequent year's delinquent tax property sales proceeds shall be paid from any remaining balance in any prior year's delinquent tax property sales proceeds account.

(*ii*) Any costs for the defense of title actions.

(*iii*) Any costs incurred in administering the foreclosure and disposition of property forfeited for delinquent taxes under this act.

(g) If the foreclosing governmental unit is this state, any remaining balance shall be transferred to the land reutilization fund created under section 78n.

(9) Two or more county treasurers of adjacent counties may elect to hold a joint sale of property as provided in this section. If 2 or more county treasurers elect to hold a joint sale, property may be sold under this section at a location outside of the county in which the property is located. The sale may be conducted by any county treasurer participating in the joint sale. A joint sale held under this subsection may include or be an auction sale conducted via an internet website.

(10) The foreclosing governmental unit shall record a deed for any property transferred under this section with the county register of deeds. The foreclosing governmental unit may charge a fee in excess of the minimum bid and any sale proceeds for the cost of recording a deed under this subsection.

(11) As used in this section, "minimum bid" is the minimum amount established by the foreclosing governmental unit for which property may be sold under this section. The minimum bid shall include all of the following:

(a) All delinquent taxes, interest, penalties, and fees due on the property. If a city, village, or township purchases the property, the minimum bid shall not include any taxes levied by that city, village, or township and any interest, penalties, or fees due on those taxes.

(b) The expenses of administering the sale, including all preparations for the sale. The foreclosing governmental unit shall estimate the cost of preparing for and administering the annual sale for purposes of prorating the cost for each property included in the sale.

(12) For property transferred to this state under subsection (1), a city, village, or township under subsection (6) or retained by a foreclosing governmental unit under subsection (7), all taxes due on the property as of the December 31 following the transfer or retention of the property are canceled effective on that December 31.

(13) For property sold under this section, transferred to this state under subsection (1), a city, village, or township under subsection (6), or retained by a foreclosing governmental unit under subsection (7), all liens for costs of demolition, safety repairs, debris removal, or sewer or water charges due on the property as of the December 31 immediately succeeding the sale, transfer, or retention of the property are canceled effective on that December 31. This subsection does not apply to liens recorded by the department of environmental quality under this act or the land bank fast track authority act.

(14) If property foreclosed under section 78k and held by or under the control of a foreclosing governmental unit is a facility as defined under section 20101(1)(o) of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20101, prior to the sale or transfer of the property under this section, the property is subject to all of the following:

(a) Upon reasonable written notice from the department of environmental quality, the foreclosing governmental unit shall provide access to the department of environmental quality, its employees, contractors, and any other person expressly authorized by the

department of environmental quality to conduct response activities at the foreclosed property. Reasonable written notice under this subdivision may include, but is not limited to, notice by electronic mail or facsimile, if the foreclosing governmental unit consents to notice by electronic mail or facsimile prior to the provision of notice by the department of environmental quality.

(b) If requested by the department of environmental quality to protect public health, safety, and welfare or the environment, the foreclosing governmental unit shall grant an easement for access to conduct response activities on the foreclosed property as authorized under chapter 7 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20101 to 324.20302.

(c) If requested by the department of environmental quality to protect public health, safety, and welfare or the environment, the foreclosing governmental unit shall place and record deed restrictions on the foreclosed property as authorized under chapter 7 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20101 to 324.20302.

(d) The department of environmental quality may place an environmental lien on the foreclosed property as authorized under section 20138 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20138.

(15) If property foreclosed under section 78k and held by or under the control of a foreclosing governmental unit is a facility as defined under section 20101(1)(o) of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20101, prior to the sale or transfer of the property under this section, the department of environmental quality shall request and the foreclosing governmental unit shall transfer the property to the state land bank fast track authority created under section 15 of the land bank fast track act if all of the following apply:

(a) The department of environmental quality determines that conditions at a foreclosed property are an acute threat to the public health, safety, and welfare, to the environment, or to other property.

(b) The department of environmental quality proposes to undertake or is undertaking state-funded response activities at the property.

(c) The department of environmental quality determines that the sale, retention, or transfer of the property other than under this subsection would interfere with response activities by the department of environmental quality.

### 211.131 Withholding certain property from sale; minimum price for property not withheld from sale; accounting for proceeds of sale; payment and disposition of additional charges; deed subject to restrictions or notices.

Sec. 131. (1) The director of the department of natural resources may withhold from sale any property that he or she determines to be suitable for state forests, state parks, state game refuges, public hunting, or recreational grounds. The director of the department of natural resources may set a minimum price for property not withheld from sale. Property not withheld from sale and not held by a local tax collecting unit shall be offered for sale by the director of the department of natural resources, at a price to be determined by the director of the department of natural resources, pursuant to 1873 PA 21, MCL 322.261 to 322.266. A bid shall not be accepted for less than the minimum price set by the director of the department of natural resources. If no bids are received or accepted by the director of the department of natural resources, the director of the department of natural resources may sell the property to a person applying to purchase the property at a price not less than the minimum price affixed by the director of the

department of natural resources. The proceeds of the sale, after deducting costs paid for maintaining the property in condition to protect the public health and safety shall be accounted for to the state, county, local tax collecting unit, and school district in which the property is situated, pro rata according to their interests in the property arising from the nonpayment of taxes and special assessments on the property as that interest appears in the offices of the state, county, city, and local tax collecting unit treasurers. A person who purchases property under this section shall, in addition to paying the purchase price, pay to the state a fee of $10.00 per parcel of property purchased, plus 5% of the purchase price. The $10.00 charge and 5% of the purchase price shall be transmitted to the department of treasury for deposit in the general fund of this state to the credit of the delinquent property tax administration fund. This section does not apply to sales conducted under section 78m. For each parcel of property under the jurisdiction of the director of the department of natural resources under this section, the director of the department of natural resources shall continue to perform the functions assigned under this section until the parcel of property is transferred to the state land bank fast track authority under section 20 of the land bank fast track act.

(2) A deed issued under this section shall remain subject to any restrictions or notices approved by this state or the foreclosing governmental unit and recorded with the register of deeds pursuant to the natural resources and environmental protection act, 1994 PA 451, MCL 324.101 to 324.90106.

### 211.131e Extension of redemption period; notice of hearing; hearing; redemption following expiration of redemption period; additional penalty; redemption of property exempt from taxes; payment; failure of property owner to redeem property; prohibited assertions; initiation of expedited quiet title and foreclosure action; "local unit of government" defined.

Sec. 131e. (1) For all property the title to which vested in this state under this section after October 25, 1976, the redemption period on property deeded to the state under section 67a shall be extended until the owners of a recorded property interest in the property have been notified of a hearing before the department of treasury. Proof of the notice of a hearing under this section shall be recorded with the register of deeds in the county in which the property is located in a form prescribed by the department of treasury. If a notice is recorded in error, the department of treasury or a local unit of government may correct the error by recording a certificate of error with the register of deeds. A notice under this subsection need not be notarized and may be authenticated by digital signature or other electronic means.

(2) For all property the title to which vested in this state under this section after October 25, 1976, 1 hearing shall be held to allow each owner of a recorded property interest the opportunity to show cause why the tax sale and the deed to the state should be canceled for any reason specified in section 98. The hearing shall be held after the expiration of the redemption periods provided in section 131c. The department of treasury may hold combined or separate show cause hearings for different owners of a recorded property interest.

(3) For tax reverted property that was transferred to a local unit of government under section 2101 or 2102 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.2101 and 324.2102, or under former section 461 of 1909 PA 223, if the local unit of government determines that the owner of a recorded property interest was not properly served with a notice of the hearing under this section, the local unit of government may conduct a hearing to show cause why the tax sale and tax deed to the state should be canceled for any reason specified in section 98. Notice of the hearing shall be provided to

the department of treasury, which may provide evidence why the tax sale and tax deed to the state should not be set aside. The local unit of government may hold combined or separate show cause hearings for different owners of a recorded property interest.

(4) For all property the title to which vested in this state under this section after October 25, 1976, after expiration of the redemption periods provided in section 131c, on the first Tuesday in November after title to the property vests in this state, an owner of a recorded property interest may redeem the property up to 30 days following the date of hearing for that owner of a recorded property interest provided by this section by payment of the amounts set forth in subsection (5) and in section 131c(1), plus an additional penalty of 50% of the tax on which foreclosure was made. The additional penalty shall be credited to the delinquent property tax administration fund. A redemption under this section shall reinstate title as provided in section 131c(4).

(5) For all property the title to which vested in this state under this section after October 25, 1976, if property redeemed under this section has been exempt from taxes levied in any year after the year of foreclosure because a deed to that property was issued to the state, an amount equal to the sum of the following amounts shall be paid, as required by subsection (4), before redemption of the property:

(a) For taxes and ad valorem special assessments levied before January 1, 1997, an amount computed by applying the special assessment and ad valorem property tax rates levied by taxing units in which the property is located in the years the property was exempt against the most recently established state equalized valuation of the property. For taxes and ad valorem special assessments levied after December 31, 1996, an amount computed by applying the special assessment and ad valorem property tax rates levied by taxing units in which the property is located in the years the property was exempt against the most recently established taxable value of the property. For purposes of this subsection, special assessments do not include special assessments or special assessment installments deferred under section 67a.

(b) If the levy of an ad valorem special assessment on the property's taxable value is found to be invalid by a court of competent jurisdiction, the levy of the ad valorem special assessment may be levied on the property's state equalized value.

(c) Interest on the delinquent taxes or special assessments to be computed from the date title vested in this state to the date of the application to redeem under this section.

(d) Interest and penalties on taxes and special assessments identified by subdivision (a) that would have been imposed by law or charter and would have accrued if the property had not been exempt, computed from the date title vested in the state to the date of the application to redeem under this section.

(6) For all property the title to which vested in this state under this section after October 25, 1976, the owner of a recorded property interest who has been properly served with a notice of a hearing under this section and who fails to redeem the property as provided under this section shall not assert any of the following:

(a) That notice was insufficient or inadequate on the grounds that some other owner of a property interest was not also served.

(b) That the redemption period provided under this section was extended in any way on the grounds that some other owner of a property interest was not also served.

(7) For tax reverted property that was transferred to a local unit of government under section 2101 or 2102 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.2101 and 324.2102, or under former section 461 of 1909 PA 223, the local unit of government may initiate an expedited quiet title and foreclosure action to quiet title to the

property in the same manner as a land bank fast track authority under section 9 of the land bank fast track act. A local unit of government may initiate an action under this subsection as an alternative to a hearing by the local unit of government under this section.

(8) As used in this section, "local unit of government" means a county, city, village, or township and includes a department or agency of the county, city, village, or township.

### MCL 211.78i and 211.78k as curative.

Enacting section 1. Section 78i(12) of the general property tax act, 1893 PA 206, MCL 211.78i, as added by this amendatory act and section 78k(5) of the general property tax act, 1893 PA 206, MCL 211.78k, as amended by this amendatory act are curative and are intended to express the original intent of the legislature concerning the application of 1999 PA 123, section 78i of the general property tax act, 1893 PA 206, MCL 211.78i, as amended by 2001 PA 101 and section 78k of the general property tax act, 1893 PA 206, MCL 211.78k, as amended by 2001 PA 94.

### Repeal of MCL 211.78p.

Enacting section 2. Section 78p of the general property tax act, 1893 PA 206, MCL 211.78p, is repealed.

### Effect of amendatory act on Smith v Cliffs on the Bay Condominium Association ruling.

Enacting section 3. This amendatory act is not intended to and shall not be construed to modify or alter the ruling of the Michigan supreme court in Smith v Cliffs on the Bay Condominium Association, docket no. 111587.

### Conditional effective date.

Enacting section 4. This amendatory act does not take effect unless all of the following bills of the 92nd Legislature are enacted into law:

(a) House Bill No. 4480.

(b) House Bill No. 4481.

(c) House Bill No. 4482.

(d) House Bill No. 4483.

(e) House Bill No. 4488.

This act is ordered to take immediate effect.
Approved January 5, 2004.
Filed with Secretary of State January 5, 2004.

**Compiler's note:** The bills referred to in enacting section 4 were enacted into law as follows:
House Bill No. 4480 was filed with the Secretary of State January 5, 2004, and became P.A. 2003, No. 259, Imd. Eff. Jan. 5, 2004.
House Bill No. 4481 was filed with the Secretary of State January 5, 2004, and became P.A. 2003, No. 261, Imd. Eff. Jan. 5, 2004.
House Bill No. 4482 was filed with the Secretary of State January 5, 2004, and became P.A. 2003, No. 260, Imd. Eff. Jan. 5, 2004.
House Bill No. 4483 was filed with the Secretary of State January 5, 2004, and became P.A. 2003, No. 258, Imd. Eff. Jan. 5, 2004.
House Bill No. 4488 was filed with the Secretary of State January 5, 2004, and became P.A. 2003, No. 262, Imd. Eff. Jan. 5, 2004.

## [No. 264]

### (HB 5247)

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 1140.

*The People of the State of Michigan enact:*

### 380.1140 Skilled trades training and apprenticeship programs; access to representatives of associations to provide information.

Sec. 1140. If a school district, intermediate school district, or public school academy allows institutions of higher education access to school facilities or activities to provide information to pupils about educational, vocational, or apprenticeship opportunities, the board of the school district or intermediate school district or board of directors of the public school academy shall allow the same access to representatives of associations to provide information about skilled trades training and apprenticeship programs.

This act is ordered to take immediate effect.
Approved January 5, 2004.
Filed with Secretary of State January 5, 2004.

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## [No. 265]

**(HB 5254)**

AN ACT to amend 2002 PA 49, entitled "An act to create the Michigan broadband development authority; to create funds and accounts; to authorize the issuing of bonds and notes; to prescribe the powers and duties of the authority; and to provide incentives for the development of broadband services," by amending section 7 (MCL 484.3207).

*The People of the State of Michigan enact:*

### 484.3207 Powers of authority.

Sec. 7. (1) The powers of the authority shall include all those necessary to carry out and effectuate the purposes of this act, including, but not limited to, all of the following:

(a) To borrow money and issue bonds and notes to fund operations of the authority, to finance or refinance part or all of the development costs of the broadband infrastructure, to refinance existing debt for technology that constitutes a part of or is related to the broadband infrastructure, and to secure bonds and notes by mortgage, assignment, or pledge of any of its revenues and assets.

(b) To invest any money of the authority at the authority's discretion, in any obligations determined proper by the authority, and name and use depositories for its money.

(c) To enter into joint venture and partnership arrangements subject to subsections (2) and (3) with persons that will acquire, construct, develop, maintain, and operate all or portions of the broadband infrastructure.

(d) To be designated the state program manager for federal telecommunications assistance, to represent this state in negotiations with the federal government regarding telecommunications assistance, and to receive and distribute federal funding, including loans, grants, and other forms of funding and assistance on this state's behalf.

(e) To receive and distribute state or local funding including grants, loans, general appropriations, or an appropriation made for the purposes under subsection (4).

(f) To make loans and to enter into any joint venture and partnership arrangements subject to subsections (2) and (3) with broadband developers and broadband operators that will acquire, construct, maintain, and operate all or portions of the broadband infrastructure.

(g) To provide operating assistance to make broadband services more affordable to broadband developers, broadband operators, and broadband customers, in conjunction with broadband infrastructure financed by the authority.

(h) To impose and collect charges, fees, or rentals for the services furnished by those portions of the broadband infrastructure financed by the authority under this act.

(i) To set construction, operation, and financing standards for the broadband infrastructure in connection with authority financing and to provide for inspections to determine compliance with those standards.

(j) To acquire from any person interests in real or personal property necessary for the operation of the authority.

(k) To procure insurance against any loss in connection with the broadband infrastructure and any other property, assets, or activities of the authority.

(*l*) To sue and be sued, to have a seal, and to make, execute, and deliver contracts, conveyances, and other instruments necessary to the exercise of the authority's powers.

(m) To enforce financial, operational, warranty, security, lease, and guaranty terms and conditions established under financings by the authority. The authority may under this subsection acquire, construct, develop, lease, create, and maintain all or portions of the broadband infrastructure and acquire from any person interests in real and personal property.

(n) To make and amend bylaws.

(o) To indemnify and procure insurance indemnifying any members of the board of the authority from personal liability by reason of their service as a board member.

(p) To investigate, evaluate, and assess the current broadband infrastructure and the future broadband infrastructure needs of this state and to encourage and participate in aggregation strategies for the broadband services of all public entities and nonprofit corporations in this state to maximize the interconnectivity and efficiencies of the broadband infrastructure.

(2) Notwithstanding any other provision of this act, the authority shall not make loans to, or enter into any joint venture and partnership arrangements or participation with, any governmental entity or nonprofit organization except in connection with the financing or refinancing of development costs for that allocable portion of the broadband infrastructure

used or to be used exclusively by governmental entities or nonprofit organizations, including, but not limited to, universities, colleges, hospitals, school districts, public safety agencies, judicial organizations, libraries, cities, townships, and counties. No allocable portion of the broadband infrastructure financed by a loan to a governmental entity or a nonprofit organization shall be used to serve residential, business, or other commercial customers.

(3) Notwithstanding any other provision of this act, except in connection with financing or refinancing under subsection (2) or enforcement procedures authorized under subsection (1)(m), the authority shall acquire real or personal property constituting portions of the broadband infrastructure only in connection with the participation of persons other than governmental entities or nonprofit organizations through joint ventures and partnership arrangements, or other co-ownership arrangements and only if the participation is necessary to assure availability of financing or refinancing derived from the issuance by the authority of bonds or notes, the interest on which is exempt from taxation under the United States internal revenue code, and the financing derived from the tax-exempt bonds or notes is allocated only to those development costs relating to that portion of the broadband infrastructure that is to be used by governmental bodies or nonprofit organizations.

(4) The authority shall establish a seed capital loan program to make capital loans to persons planning to apply to the authority for financing of broadband infrastructure. Priority for the seed capital loan program shall be given for developments targeted to underserved areas. During the initial 2 years of operations, the authority shall designate a minimum of $500,000.00 to be targeted to rural underserved areas and a minimum of $500,000.00 targeted to urban underserved areas. Community economic development programs and small providers shall be given a preference to receive loans under this subsection. The terms and conditions for the seed capital loans shall be established by the authority. As used in this act, "underserved areas" means geographical areas of this state identified by the authority as having the greatest need for broadband development. In identifying underserved areas, the authority shall consider the area's economic conditions, including, but not limited to, family income, affordability of access, lack of options available, low percentage of residents subscribing, and any other criteria considered important by the authority in determining whether an area is underserved.

(5) As part of an application for financing under this act, the broadband developer and broadband operator shall file with the authority a participation plan for small and minority owned businesses and a communitywide outreach plan to educate the public of the availability of broadband services. The authority shall not approve an application unless a plan is submitted under this subsection.

(6) Priority shall be given to the application of any broadband developer who applies to develop broadband capability within a recovery zone as that term is defined in section 8d of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2688d.

## Conditional effective date.

Enacting section 1. This amendatory act does not take effect unless Senate Bill No. 825 of the 92nd Legislature is enacted into law.

This act is ordered to take immediate effect.
Approved January 5, 2004.
Filed with Secretary of State January 5, 2004.

**Compiler's note:** Senate Bill No. 825, referred to in enacting section 1, was filed with the Secretary of State January 5, 2004, and became P.A. 2003, No. 266, Imd. Eff. Jan. 5, 2004.

## [No. 266]

### (SB 825)

AN ACT to amend 1996 PA 376, entitled "An act to create and expand certain renaissance zones; to foster economic opportunities in this state; to facilitate economic development; to stimulate industrial, commercial, and residential improvements; to prevent physical and infrastructure deterioration of geographic areas in this state; to authorize expenditures; to provide exemptions and credits from certain taxes; to create certain obligations of this state and local governmental units; to require disclosure of certain transactions and gifts; to provide for appropriations; and to prescribe the powers and duties of certain state and local departments, agencies, and officials," by amending section 8 (MCL 125.2688), as amended by 2003 PA 93, and by adding section 8d.

*The People of the State of Michigan enact:*

### 125.2688 Designation of renaissance zones; limitation; additional zones; submission of designations to legislature; rejection of designations by concurrent resolution.

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

(2) The board may designate additional renaissance zones within this state in 1 or more qualified local governmental units if that qualified local governmental unit or units contain a military installation that was operated by the United States department of defense and has closed after 1990.

(3) Each renaissance zone designated by the board under section 8a shall be submitted to the legislature, which, by concurrent resolution adopted by a majority vote of those elected to and serving in each house, on a record roll call vote, may reject that designation no later than the earlier of 45 days following the date of the designation by the board or December 31 of the year of designation.

### 125.2688d Designation of tool and die renaissance recovery zones; definitions.

Sec. 8d. (1) The board of the Michigan strategic fund described in section 4 of the Michigan strategic fund act, 1984 PA 270, MCL 125.2004, may designate not more than 20 tool and die renaissance recovery zones within this state in 1 or more cities, villages, or townships if that city, village, or township or combination of cities, villages, or townships consents to the creation of a recovery zone within their boundaries. A recovery zone shall have a duration of renaissance zone status for a period not to exceed 15 years as determined by the board of the Michigan strategic fund.

(2) The board of the Michigan strategic fund may designate a recovery zone within this state if the recovery zone consists only of 1 or more parcels of property owned by 1 or more qualified tool and die businesses and used by those qualified tool and die businesses primarily for tool and die business operations.

(3) As used in this section:

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

(*i*) Sales and marketing efforts.

(*ii*) Development of standardized processes.

(*iii*) Development of tooling standards.

(*iv*) Standardized project management methods.

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

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

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

(*ii*) Has entered into a qualified collaboration agreement as approved by the Michigan strategic fund with other business entities that have a North American industrial classification system (NAICS) of 333511, 333512, 333513, 333514, or 333515.

(*iii*) Has less than 50 full-time employees.

(c) "Recovery zone" means a tool and die renaissance recovery zone created in this section.

This act is ordered to take immediate effect.
Approved January 5, 2004.
Filed with Secretary of State January 5, 2004.

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## [No. 267]

### (SB 511)

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 therefor; 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," (MCL 750.1 to 750.568) by adding section 160c.

*The People of the State of Michigan enact:*

### 750.160c Prohibited acts; violation; exceptions; "final disposition of a dead body" defined.

Sec. 160c. (1) A person shall not do any of the following:

(a) After agreeing to provide the services of a funeral director, fail or refuse to properly supervise the final disposition of that dead human body.

(b) After agreeing to provide for the final disposition of a dead human body, fail or refuse to properly dispose of that dead human body.

(2) A person who violates this section is guilty of a crime as follows:

(a) If the failure or refusal to properly supervise the final disposition of a dead human body or the failure or refusal to properly dispose of the dead human body occurs more than 60 days but not more than 180 days after the date the person takes possession of the dead human body, the person is guilty of a misdemeanor punishable by imprisonment for not more than 90 days or a fine of not more than $10,000.00, or both.

(b) If the failure or refusal to properly supervise the final disposition of a dead human body or the failure or refusal to properly dispose of the dead human body occurs more than 180 days after the date the person takes possession of the dead human body, the person is guilty of a felony punishable by imprisonment for not more than 10 years or a fine of not more than $50,000.00, or both.

(3) It is not a violation of this section if the failure or refusal is due to 1 or more of the following factors:

(a) Delays due to seasonal factors relating to the method of final disposition of the dead human body.

(b) Delays due to the availability of services required to complete the final disposition of the dead human body.

(c) The directives of the person having lawful authority over final disposition of the dead human body to postpone that disposition pending funeral services, the presence of certain family members, or other activities.

(d) Delays due to the inability to obtain the necessary authorizations regarding the method of final disposition of the dead human body or due to the inability to locate individuals essential to making a decision regarding the final disposition of the dead human body.

(e) Delays due to an autopsy, investigation of the cause of death, the gathering of evidence, or other activity or procedure required by a governmental or law enforcement agency.

(f) Delays pursuant to an order issued by a court of competent jurisdiction upon petition and showing of good cause for a delay in the final disposition of a dead human body.

(4) 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.

(5) As used in this section, "final disposition of a dead human body" means cremation, burial, entombment, or other method of final disposition of a dead human body allowable under law.

**Effective date.**

Enacting section 1. This amendatory act takes effect April 1, 2004.

This act is ordered to take immediate effect.
Approved January 8, 2004.
Filed with Secretary of State January 8, 2004.

## [No. 268]

### (SB 508)

AN ACT to amend 1927 PA 175, entitled "An act to revise, consolidate, and codify the laws relating to criminal procedure and to define the jurisdiction, powers, and duties of courts, judges, and other officers of the court under the provisions of this act; to provide laws relative to the rights of persons accused of criminal offenses and ordinance violations; to provide for the arrest of persons charged with or suspected of criminal offenses and ordinance violations; to provide for bail of persons arrested for or accused of criminal offenses and ordinance violations; to provide for the examination of persons accused of criminal offenses; to regulate the procedure relative to grand juries, indictments, informations, and proceedings before trial; to provide for trials of persons complained of or indicted for criminal offenses and ordinance violations and to provide for the procedure in those trials; to provide for judgments and sentences of persons convicted of criminal offenses and ordinance violations; to establish a sentencing commission and to prescribe its powers and duties; to provide for procedure relating to new trials and appeals in criminal and ordinance violation cases; to provide a uniform system of probation throughout this state and the appointment of probation officers; to prescribe the powers, duties, and compensation of probation officers; to provide penalties for the violation of the duties of probation officers; to provide for procedure governing proceedings to prevent crime and proceedings for the discovery of crime; to provide for fees of officers, witnesses, and others in criminal and ordinance violation cases; to set forth miscellaneous provisions as to criminal procedure in certain cases; to provide penalties for the violation of certain provisions of this act; and to repeal all acts and parts of acts inconsistent with or contravening any of the provisions of this act," by amending section 16i of chapter XVII (MCL 777.16i), as amended by 2002 PA 278.

*The People of the State of Michigan enact:*

CHAPTER XVII

### 777.16i MCL 750.158 to 750.182a; felonies to which chapter applicable.

Sec. 16i. This chapter applies to the following felonies enumerated in chapter 750 of the Michigan Compiled Laws:

| M.C.L. | Category | Class | Description | Stat Max |
|---|---|---|---|---|
| 750.158 | Pub ord | E | Sodomy | 15 |
| 750.159j | Pub saf | B | Racketeering | 20 |
| 750.160 | Pub ord | D | Disinterring or mutilating dead human body | 10 |
| 750.160a | Pub ord | H | Photographing dead human body | 2 |
| 750.160c | Pub ord | D | Improper disposal of dead human body after more than 180 days | 10 |
| 750.161 | Pub ord | G | Desertion/abandonment/nonsupport | 3 |
| 750.164 | Pub ord | F | Desertion to escape prosecution | 4 |
| 750.165 | Pub ord | F | Failing to pay support | 4 |
| 750.171 | Person | E | Duelling | 10 |
| 750.174(4) | Property | E | Embezzlement by agent of $1,000 to $20,000 or with prior convictions | 5 |

| | | | | |
|---|---|---|---|---|
| 750.174(5) | Property | D | Embezzlement by agent of $20,000 or more or $1,000 to $20,000 with prior convictions | 10 |
| 750.174a(4) | Property | E | Embezzlement by person in a relationship of trust with a vulnerable adult of $1,000 to $20,000 or with prior convictions | 5 |
| 750.174a(5) | Property | D | Embezzlement by person in a relationship of trust with a vulnerable adult of $20,000 or more or $1,000 to $20,000 with prior convictions | 10 |
| 750.175 | Pub trst | D | Embezzlement by public official over $50 | 10 |
| 750.176 | Pub trst | E | Embezzlement by administrator/executor/guardian | 10 |
| 750.177(2) | Property | D | Embezzlement by chattel mortgagor of $20,000 or more or $1,000 to $20,000 with prior convictions | 10 |
| 750.177(3) | Property | E | Embezzlement by chattel mortgagor of $1,000 to $20,000 or with prior convictions | 5 |
| 750.178(2) | Property | D | Embezzlement of mortgaged or leased property of $20,000 or more or $1,000 to $20,000 with prior convictions | 10 |
| 750.178(3) | Property | E | Embezzling mortgaged or leased property with value of $1,000 to $20,000 or with prior convictions | 5 |
| 750.180 | Property | D | Embezzlement by financial institutions | 20 |
| 750.181(4) | Property | E | Embezzling jointly held property with value of $1,000 to $20,000 or with prior convictions | 5 |
| 750.181(5) | Property | D | Embezzling jointly held property with value of $20,000 or more or $1,000 to $20,000 with prior convictions | 10 |
| 750.182 | Property | G | Embezzlement by warehouses | 4 |
| 750.182a | Pub trst | H | Falsifying school records | 2 |

### Conditional effective date.

Enacting section 1. This amendatory act does not take effect unless Senate Bill No. 511 of the 92nd Legislature is enacted into law.

### Effective date.

Enacting section 2. This amendatory act takes effect April 1, 2004.

This act is ordered to take immediate effect.
Approved January 8, 2004.
Filed with Secretary of State January 8, 2004.

**Compiler's note:** Senate Bill No. 511, referred to in enacting section 1, was filed with the Secretary of State January 8, 2004, and became P.A. 2003, Act 267, Eff. Apr. 1, 2004.

## [No. 269]

### (SB 227)

AN ACT to amend 1927 PA 175, entitled "An act to revise, consolidate, and codify the laws relating to criminal procedure and to define the jurisdiction, powers, and duties of courts, judges, and other officers of the court under the provisions of this act; to provide laws relative to the rights of persons accused of criminal offenses and ordinance violations; to provide for the arrest of persons charged with or suspected of criminal offenses and ordinance violations; to provide for bail of persons arrested for or accused of criminal offenses and ordinance violations; to provide for the examination of persons accused of criminal offenses; to regulate the procedure relative to grand juries, indictments, informations, and proceedings before trial; to provide for trials of persons complained of or indicted for criminal offenses and ordinance violations and to provide for the procedure in those trials; to provide for judgments and sentences of persons convicted of criminal offenses and ordinance violations; to establish a sentencing commission and to prescribe its powers and duties; to provide for procedure relating to new trials and appeals in criminal and ordinance violation cases; to provide a uniform system of probation throughout this state and the appointment of probation officers; to prescribe the powers, duties, and compensation of probation officers; to provide penalties for the violation of the duties of probation officers; to provide for procedure governing proceedings to prevent crime and proceedings for the discovery of crime; to provide for fees of officers, witnesses, and others in criminal and ordinance violation cases; to set forth miscellaneous provisions as to criminal procedure in certain cases; to provide penalties for the violation of certain provisions of this act; and to repeal all acts and parts of acts inconsistent with or contravening any of the provisions of this act," by amending section 13e of chapter XVII (MCL 777.13e), as added by 2002 PA 30.

*The People of the State of Michigan enact:*

CHAPTER XVII

### 777.13e Applicability of chapter to certain felonies; MCL 324.40118(11) to 324.52908(1)(d).

Sec. 13e. This chapter applies to the following felonies enumerated in chapter 324 of the Michigan Compiled Laws:

| M.C.L. | Category | Class | Description | Stat Max |
|---|---|---|---|---|
| 324.40118(11) | Pub ord | G | Wildlife conservation — buying/selling protected animals — subsequent offense | 4 |
| 324.41309 | Property | E | Possession or release of genetically engineered, nonnative, or prohibited fish | 5 |
| 324.48738(4) | Property | E | Possession, importation, or planting of genetically engineered fish | 5 |
| 324.51120(2) | Property | H | Removing forest products over $2,500 | 3 |
| 324.51512 | Pub saf | D | Willfully setting forest fires | 10 |
| 324.52908(1)(c) | Property | E | Damage to plant involving $1,000 to $20,000 or with prior convictions | 5 |

| | | | | |
|---|---|---|---|---|
| 324.52908(1)(d) | Property | D | Damage to plant involving $20,000 or more or with prior convictions | 10 |

**Conditional effective date.**

Enacting section 1. This amendatory act does not take effect unless Senate Bill No. 226 of the 92nd Legislature is enacted into law.

Approved January 8, 2004.
Filed with Secretary of State January 8, 2004.

**Compiler's note:** Senate Bill No. 226, referred to in enacting section 1, was filed with the Secretary of State January 8, 2004, and became P.A. 2003, No. 270, Eff. Mar. 30, 2004.

## [No. 270]

**(SB 226)**

AN ACT to amend 1994 PA 451, entitled "An act to protect the environment and natural resources of the state; to codify, revise, consolidate, and classify laws relating to the environment and natural resources of the state; to regulate the discharge of certain substances into the environment; to regulate the use of certain lands, waters, and other natural resources of the state; to prescribe the powers and duties of certain state and local agencies and officials; to provide for certain charges, fees, and assessments; to provide certain appropriations; to prescribe penalties and provide remedies; to repeal certain parts of this act on a specific date; and to repeal certain acts and parts of acts," by amending sections 45901, 45906, 45908, 48701, 48735, and 48738 (MCL 324.45901, 324.45906, 324.45908, 324.48701, 324.48735, and 324.48738), sections 45901, 45906, 45908, 48735, and 48738 as added by 1995 PA 57 and section 48701 as amended by 2002 PA 434, and by adding part 413.

*The People of the State of Michigan enact:*

PART 413 TRANSGENIC AND NONNATIVE ORGANISMS

### 324.41301 Definitions.

Sec. 41301. As used in this part:

(a) "Genetically engineered" refers to a fish whose genome, chromosomal or extrachromosomal, is modified permanently and heritably, using recombinant nucleic acid techniques, or the progeny thereof.

(b) "Prohibited species" means any of the following or the eggs thereof:

(*i*) Bighead carp (Hypophthalmichthys nobilis) or a hybrid or genetically engineered variant thereof.

(*ii*) Bitterling (Rhodeus sericeus) or a hybrid or genetically engineered variant thereof.

(*iii*) Black carp (Mylopharyngodon piceus) or a hybrid or genetically engineered variant thereof.

(*iv*) Grass carp (Ctenopharyngodon idellus) or a hybrid or genetically engineered variant thereof.

(*v*) Ide (Leuciscus idus) or a hybrid or genetically engineered variant thereof.

(*vi*) Japanese weatherfish (Misgurnus anguillicaudatus) or a hybrid or genetically engineered variant thereof.

(*vii*) Rudd (Scardinius erythrophthalamus) or a hybrid or genetically engineered variant thereof.

(*viii*) Silver carp (Hypophthalmichthys molitrix) or a hybrid or genetically engineered variant thereof.

(*ix*) A fish of the snakehead family (family Channidae) or genetically engineered variant.

(*x*) Tench (Tinca tinca) or a hybrid or genetically engineered variant thereof.

(c) "Recombinant nucleic acid techniques" means laboratory techniques through which genetic material is isolated and manipulated in vitro and then inserted into an organism.

### 324.41303 Possession or release of live prohibited species.

Sec. 41303. A person shall not possess or release a live prohibited species.

### 324.41305 Release of genetically engineered fish or nonnative fish; permit; application; fee; revocation or modification of permit.

Sec. 41305. (1) Unless authorized by a permit issued by the department under this section or section 48735, a person shall not knowingly release or allow to be released into this state any of the following that is not naturalized in the location of release:

(a) A genetically engineered fish.

(b) A nonnative fish.

(2) A person shall apply for a permit under subsection (1) on a form developed by the department. The application shall be accompanied by a fee established by the department based on the cost of administering this part.

(3) The department may revoke or modify a permit issued under this section after providing an opportunity for a hearing under the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328.

### 324.41307 Rules.

Sec. 41307. The department shall promulgate rules under the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, necessary to implement this part.

### 324.41309 Violation as felony; liability.

Sec. 41309. A person who violates section 41303 or who knowingly violates section 41305 or a permit issued under section 41305 is guilty of a felony punishable by imprisonment for not more than 5 years or a fine of not more than $250,000.00, or both. In addition, the person is liable for any damages to natural resources resulting from the violation, including, but not limited to, costs incurred to prevent or minimize such damages.

### 324.45901 Definitions.

Sec. 45901. As used in this part:

(a) "Game fish" includes all species of fish in the families of salmonidae (trout and salmon), thymallidae (grayling), esocidae (northern pike and muskellunge), serranidae (white bass and striped bass), centrarchidae (bass, bluegill, and crappie), percidae (perch and walleye), acipenseridae (sturgeon), ictaluridae (catfish), and coregonidae (whitefish).

(b) "Genetically engineered" refers to a fish whose genome, chromosomal or extra-chromosomal, is modified permanently and heritably, using recombinant nucleic acid techniques.

(c) "Recombinant nucleic acid techniques" means laboratory techniques through which genetic material is isolated and manipulated in vitro and then inserted into an organism.

### 324.45906 Importation of game fish or viable eggs; prohibition or restriction; rules.

Sec. 45906. (1) A person shall not import into this state any live game fish, including viable eggs of any game fish, without a license as provided for in this part. A license under this subsection does not apply to a genetically engineered variant of a live game fish species unless the genetically engineered variant is specifically identified in the license.

(2) The department may promulgate rules under this part to prohibit or restrict the importation of any species of game fish or other fish when the importation of that species would endanger the public fishery resources of this state. A prohibition or restriction in rules promulgated under this subsection applies to a genetically engineered variant of a fish species identified in the prohibition or restriction unless the prohibition or restriction specifically provides otherwise. A prohibition or restriction in rules promulgated under this subsection may be limited to a genetically engineered fish.

### 324.45908 Violation of part or rules as misdemeanor; penalty; suspension or revocation of license.

Sec. 45908. (1) Except as provided in subsection (2), a person who violates this part or the rules promulgated under this part is guilty of a misdemeanor punishable by imprisonment for not more than 90 days or a fine of not more than $100.00, or both. In addition to the penalty, any license issued under this part may be revoked.

(2) A person who knowingly violates section 45906 or a rule promulgated under section 45906 with respect to a genetically engineered fish or with respect to any fish species that is not naturalized in this state is guilty of a misdemeanor punishable by imprisonment for not more than 90 days or a fine of not more than $1,000.00, or both. In addition, any license issued to the person under this part may be revoked, and the person is liable for damages to natural resources resulting from the violation, including, but not limited to, costs incurred to prevent or minimize such damages.

(3) Any license issued under this part may be suspended or revoked by the department after a hearing, upon reasonable notice, when any of the operations under it fail to comply with the requirements of this part or the rules promulgated under this part. Whenever any license is suspended or revoked, the fish held under the license shall be disposed of only in a manner approved by the department.

### 324.48701 Definitions.

Sec. 48701. As used in this part:

(a) "Amphibian" means any frog, toad, or salamander of the class amphibia.

(b) "Crustacea" means any freshwater crayfish, shrimp, or prawn of the order decapoda.

(c) "Game fish" includes all of the following:

(*i*) Mackinaw or lake trout (Salvelinus namaycush).

(*ii*) Brook or speckled trout (Salvelinus fontinalis).

(*iii*) Brown and Loch Leven trout (Salmo trutta).

(*iv*) Rainbow and steelhead trout (Oncorhynchus mykiss).

(*v*) Landlocked salmon (Salmo salar sebago).

(*vi*) Grayling (Thymallus arcticus).

(*vii*) Largemouth black bass (Micropterus salmoides).

(*viii*) Smallmouth black bass (Micropterus dolomieu).

(*ix*) Bluegill (Lepomis macrochirus).

(*x*) Pumpkinseed or common sunfish (Lepomis gibbosus).

(*xi*) Black crappie and white crappie, also known as calico bass and strawberry bass (Pomoxis nigromaculatus and Pomoxis annularis).

(*xii*) Yellow perch, commonly called perch (Perca flavescens).

(*xiii*) Pike-perch, commonly called walleyed pike (Stizostedion vitreum).

(*xiv*) Northern pike, also known as grass pike or pickerel (Esox lucius).

(*xv*) Muskellunge (Esox masquinongy).

(*xvi*) Sturgeon (Acipenser fulvescens).

(*xvii*) Splake (Salvelinus namaycush x Salvelinus fontinalis).

(*xviii*) Coho salmon (Oncorhynchus kisutch).

(*xix*) Chinook (King) salmon (Oncorhynchus tshawytscha).

(*xx*) Pink salmon (Oncorhynchus gorbuscha).

(d) "Genetically engineered" refers to a fish whose genome, chromosomal or extrachromosomal, is modified permanently and heritably, using recombinant nucleic acid techniques.

(e) "Inland waters of this state" means the waters within the jurisdiction of the state except Saginaw river, Lakes Michigan, Superior, Huron, and Erie, and the bays and the connecting waters. The connecting waters between Lake Superior and Lake Huron are that part of the Straits of St. Mary in this state extending from a line drawn from Birch Point Range front light to the most westerly point of Round Island, thence following the shore of Round Island to the most northerly point thereof, thence from the most northerly point of Round Island to Point Aux Pins light, Ontario, to a line drawn due east and west from the most southerly point of Little Lime Island. The connecting waters of Lake Huron and Lake Erie are all of the St. Clair river, all of Lake St. Clair, and all of the Detroit river extending from Fort Gratiot light in Lake Huron to a line extending due east and west of the most southerly point of Celeron Island in the Detroit river.

(f) "Mollusks" means any mollusk of the classes bivalvia and gastropoda.

(g) "Nongame fish" includes all kinds of fish except game fish.

(h) "Nonresident" means a person who is not a resident.

(i) "Nontrout streams" means all streams or portions of streams other than trout streams.

(j) "Open season" means the time during which fish may be legally taken or killed and includes both the first and last day of the season or period designated by this part.

(k) "Recombinant nucleic acid techniques" means laboratory techniques through which genetic material is isolated and manipulated in vitro and then inserted into an organism.

(*l*) "Reptiles" means any turtle, snake, or lizard of the class reptilia.

(m) "Resident" means either of the following:

(*i*) A person who resides in a settled or permanent home or domicile with the intention of remaining in this state.

(*ii*) A student who is enrolled in a full-time course at a college or university within this state.

(n) "Trout lake" means a lake designated by the department in which brook trout, brown trout, or rainbow trout are the predominating species of game fish. The department may designate certain trout lakes in which certain species of fish are not desired and in which it is unlawful to use live fish of any kind for bait.

(o) "Trout stream" means any stream or portion of a stream that contains a significant population of any species of trout or salmon as determined by the department. The department shall designate not more than 212 miles of trout streams in which only lures or baits as the department prescribes may be used in fishing, and the department may prescribe the size and number of fish that may be taken from those trout streams. The department shall not restrict children under 12 years old from taking a minimum of 1 fish, except for sturgeon (Acipenser fulvescens), in any trout stream. Any trout stream in a county that includes a city with a population of 750,000 or more shall be so designated. In addition, the department shall issue an order adopting criteria for determining which trout streams should be so designated. Before the department issues the order, the department shall submit the proposed order to the commission. The commission shall receive public comment on the proposed order. The department shall consider any guidance provided by the commission on the proposed order and may make changes to the proposed order based on that guidance.

### 324.48735 Permit to take fish for fish culture or scientific investigation; exception; permit to possess live game fish in ponds, pools, and aquariums; taking fish to obtain spawn or for protection from ecological damage or imbalance; taking fish not required to maintain fishery resources; supervision; sale or transfer of fish; importing or bringing fish or eggs from outside state; permit to plant spawn, fry, or fish in public waters; exhibiting permits; report.

Sec. 48735. (1) Subject to subsection (2), a person shall not take from any of the inland waters of this state any fish in any manner for the purpose of fish culture or scientific investigation without first obtaining a permit from the department, except that a person who is operating a private fish pond may take fish from his or her own pond for the purpose of propagation, scientific investigation, or sale under part 459.

(2) The department may issue permits to possess live game fish in public or private ponds, pools, or aquariums under rules and regulations as the department prescribes. This subsection is subject to subsection (5).

(3) The department may cause to be taken from the inland waters of this state any species of fish for the purpose of obtaining spawn for fish culture or scientific investigation or for the protection of the inland waters from ecological damage or imbalance. In addition, the department may cause to be taken from the inland waters of this state species of fish that are not required to maintain the fishery resources of the inland waters. All fish taken under this subsection shall be taken under the supervision of a deputy of the department appointed for that purpose and in accordance with the regulations of the department of agriculture, and the fish may be sold or transferred by the department.

(4) A person shall not import or bring any live game fish, including viable eggs of any game fish, from outside of this state except under a permit from the department or under part 459 and the rules promulgated in accordance with that part. A person shall not plant any spawn, fry, or fish of any kind in any of the public waters of this state or any other waters under the jurisdiction of this state without first obtaining a permit from the

department that states the species, number, and approximate size or age of the spawn, fry, or fish to be planted and the name and location of the waters where the spawn, fry, or fish shall be planted. A permit is not required to plant spawn, fry, or fish furnished by the federal or state government. This subsection is subject to subsection (5).

(5) A permit under subsection (2) or (4) does not include a genetically engineered variant of a fish species identified in the permit unless the genetically engineered variant is specifically identified in the permit. A permit under subsection (2) or (4) may be limited to a genetically engineered fish.

(6) A permit under this section shall be exhibited upon the request of any law enforcement officer.

(7) The department shall annually report to the legislature all fish sold or transferred pursuant to this part.

### 324.48738 Violations as misdemeanors; violation as felony; penalties.

Sec. 48738. (1) A person who violates this part or rules or orders issued to implement this part, if a penalty is not otherwise provided for that violation in this section, 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.

(2) A person convicted of using dynamite, nitroglycerin, lime, electricity, any other explosive substance, or poison for the purpose of taking or killing fish, convicted of using nets not authorized by law for taking game fish, or convicted of buying or selling game fish or any parts of game fish is guilty of a misdemeanor punishable by imprisonment for not more than 90 days or a fine of not less than $250.00 or more than $1,000.00, or both.

(3) A person who takes or possesses sturgeon in violation of this part or rules or orders issued to implement this part is guilty of a misdemeanor and shall be punished by imprisonment for not less than 30 days or more than 180 days and a fine of not less than $500.00 or more than $2,000.00, or both, and the costs of prosecution.

(4) A person who knowingly violates section 48735(2) or (4) or a permit issued under section 48735(2) or (4) with respect to a genetically engineered variant of a fish species is guilty of a felony punishable by imprisonment for not more than 5 years or a fine of not more than $250,000.00, or both. In addition, the person is liable for any damages to the natural resources resulting from the violation, including, but not limited to, costs incurred to prevent or minimize such damages.

(5) If a person is convicted of a violation of this part or rules or orders issued to implement this part and it is alleged in the complaint and proved or admitted at trial or ascertained by the court at the time of sentencing that the person has been previously convicted 3 or more times of a violation of this part within the 5 years immediately preceding the last violation of this part, the person is guilty of a misdemeanor punishable by imprisonment for not more than 90 days or a fine of not more than $1,000.00, or both, and the costs of prosecution. This subsection does not apply to the following violations:

(a) Failing to possess or display a valid fishing license or trout and salmon license issued pursuant to part 435.

(b) Taking or possessing an overlimit of bluegill, sunfish, crappie, perch, or nongame fish.

(c) Taking or possessing not more than 5 undersized fish.

(d) Fishing with too many lines.

(e) Failing to attach the person's name and address to tip-ups or minnow traps.

(f) Fishing with lines not under immediate control.

(6) In addition to the penalties provided in this section, a fishing license issued to a person sentenced pursuant to subsection (2), (3), (4), or (5) shall be revoked, and the person shall not be issued a license during the remainder of the year in which convicted or during the next 3 succeeding license years.

Approved January 8, 2004.
Filed with Secretary of State January 8, 2004.

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## [No. 271]

### (SB 228)

AN ACT to amend 1988 PA 466, entitled "An act to authorize and require the appointment of a state veterinarian within the department of agriculture; to protect the human food chain and the livestock and aquaculture industries of the state through prevention, control, and eradication of infectious, contagious, or toxicological diseases of livestock and other animals; to prevent the importation of certain nonindigenous animals under certain circumstances; to safeguard the human population from certain diseases that are communicable between animals and humans; to prevent or control the contamination of livestock with certain toxic substances through certain livestock or livestock products; to provide for indemnification for livestock under certain circumstances; to provide for certain powers and duties for certain state agencies and departments; to provide for the promulgation of rules; to provide for certain hearings; to provide for remedies and penalties; and to repeal acts and parts of acts," by amending sections 4, 6, 12, and 31 (MCL 287.704, 287.706, 287.712, and 287.731), sections 4, 6, and 12 as amended by 2002 PA 458 and section 31 as amended by 2000 PA 323.

*The People of the State of Michigan enact:*

### 287.704 Definitions; F to I.

Sec. 4. (1) "Fish disease inspection report" means a document available from the Great Lakes fishery commission completed by a fish health official giving evidence of inspections and diagnostic work performed.

(2) "Fish health official" means a fish health specialist identified by member agencies of the Great Lakes fish disease control committee to the chair of the Great Lakes fish disease control committee responsible for conducting fish-hatchery inspections and the issuance of inspection reports.

(3) "Flock" means all of the poultry on 1 premises or, upon the discretion of the department, a group of poultry that is segregated from all other poultry for at least 21 days.

(4) "Garbage" means any animal origin products, including those of poultry and fish origin, or other animal material resulting from the handling, processing, preparation, cooking, and consumption of foods. Garbage includes, but is not limited to, any refuse of any type that has been associated with any such material at any time during the handling, preparation, cooking, or consumption of food. Garbage does not include rendered products or manure.

(5) "Genetically engineered" refers to an organism whose genome, chromosomal or extrachromosomal, is modified permanently and heritably using recombinant nucleic acid techniques, or the progeny thereof.

(6) "Grade" means an animal for which no proof of registration with an appropriate breed registry is provided.

(7) "Hatchery" means incubators, hatchers, and auxiliary equipment on 1 premises operated and controlled for the purpose of hatching poultry.

(8) "Hatching poultry eggs" means eggs for use in a hatchery to produce young poultry or to produce embryonated eggs.

(9) "Herd or flock of origin" means any herd or flock in which animals are born and remain until movement or any herd or flock which animals remain for at least 30 days immediately following direct movement into the herd or flock from another herd or flock. Herd or flock of origin includes the place of origin, premises of origin, and farm of origin.

(10) "Infectious disease" means an infection or disease due to the invasion of the body by pathogenic organisms.

(11) "Isolated" means the physical separation of animals by a physical barrier in such a manner that other animals do not have access to the isolated animals' body, excrement, aerosols, or discharges, not allowing the isolated animals to share a building with a common ventilation system with other animals, and not allowing the isolated animals to be within 10 feet of other animals if not sharing a building with a common ventilation system. Isolated animals have a feed and water system separate from other animals.

## 287.706 Definitions; O to W.

Sec. 6. (1) "Official calfhood vaccinate" means female cattle that are vaccinated by an accredited veterinarian with a United States department of agriculture approved brucella abortus vaccine in accordance with procedures and at an age approved by the director.

(2) "Official identification" means an identification ear tag, tattoo, electronic identification, or other identification approved by the United States department of agriculture or the department.

(3) "Official interstate health certificate" or "official interstate certificate of veterinary inspection" means a printed form adopted by any state that documents the information required under section 20 and that is issued for animals being imported to or exported from this state within 30 days before the importation or exportation of the animals it describes. A photocopy of an official interstate health certificate or an official interstate certificate of veterinary inspection is considered an official copy if certified as a true copy by the issuing veterinarian or a livestock health official of the state of origin.

(4) "Official test" means a sample of specific material collected from an animal by an accredited veterinarian, state or federal veterinary medical officer, or other person authorized by the director and analyzed by a laboratory certified by the United States department of agriculture or the department to conduct the test, or a diagnostic injection administered and analyzed by an accredited veterinarian or a state or federal veterinary medical officer. An official test is conducted only by an accredited veterinarian or a state or federal veterinary medical officer except under special permission by the director.

(5) "Official vaccination" means a vaccination that the director has designated as reportable, administered by an accredited veterinarian or a state or federal veterinary medical officer, and documented on a form supplied by the department.

(6) "Originate" refers to direct movement of animals from a herd or flock of origin.

(7) "Over 19 months of age" means cattle that have the first pair of permanent incisor teeth visibly present unless the owner can document the exact age. Parturient or postparturient heifers, regardless of their age, are considered over 19 months of age.

(8) "Person" means an individual, partnership, corporation, cooperative, association, joint venture, or other legal entity including, but not limited to, contractual relationships.

(9) "Poultry" means, but is not limited to, chickens, guinea fowl, turkeys, waterfowl, pigeons, doves, peafowl, and game birds that are propagated and maintained under the husbandry of humans.

(10) "Prior entry permit" means a code that is obtained from the department for specific species of livestock imported into the state that is recorded on the official interstate health certificate or official interstate certificate of veterinary inspection before entry into the state.

(11) "Privately owned cervid" means all species of the cervid family including, but not limited to, deer, elk, moose, and all other members of the family cervidae raised or maintained in captivity for the production of meat and other agricultural products, sport, exhibition, or any other purpose. A privately owned cervid at large remains a privately owned cervid as long as it bears visible identification.

(12) "Privately owned cervid farm" means any private or public premises that contains 1 or more privately owned cervids and does not have any privately owned cervids removed by the hunting method.

(13) "Privately owned cervid ranch" means any private or public premises that contains 1 or more privately owned cervids and has privately owned cervids removed by the hunting method.

(14) "Privately owned white-tailed deer or elk ranch" means any private or public premises that contain 1 or more privately owned white-tailed deer or privately owned elk and has privately owned white-tailed deer or privately owned elk removed by the hunting method.

(15) "Pullorum-typhoid" means a disease of poultry caused by both salmonella pullorum and salmonella gallinarum.

(16) "Pullorum-typhoid clean flock" means a flock that receives and maintains this status by fulfilling the requirements prescribed in the national poultry improvement plan.

(17) "Quarantine" means enforced isolation of any animal or group of animals or restriction of movement of an animal or group of animals, equipment, or vehicles to or from any structure, premises, or area of this state including the entirety of this state.

(18) "Ratite" means flightless birds having a flat breastbone without the keellike prominence characteristic of most flying birds. Ratites include, but are not limited to, cassowaries, kiwis, ostriches, emus, and rheas.

(19) "Reasonable assistance" means safely controlling an animal by corralling, stabling, kenneling, holding, tying, chemically restraining, or confining by halter or leash or crowding the animal in a safe and sensible manner so an examination or testing procedure considered necessary by the director can be performed.

(20) "Recombinant nucleic acid techniques" means laboratory techniques through which genetic material is isolated and manipulated in vitro and then inserted into an organism.

(21) "Rendered products" means waste material derived in whole or in part from meat of any animal or other animal material and other refuse of any character whatsoever that has been associated with any such material at any time during the handling, preparation,

cooking, or consumption of food that has been ground and heat-treated to a minimum temperature of 230 degrees Fahrenheit to make products including, but not limited to, animal protein meal, poultry protein meal, fish protein meal, grease, or tallow. Rendered products also include bakery wastes, eggs, candy wastes, and domestic dairy products including, but not limited to, milk.

(22) "Reportable disease" means an animal disease on the current reportable animal disease list maintained by the state veterinarian that poses a serious threat to the livestock industry, public health, or human food chain.

(23) "Slaughter facility premises" means all facilities, buildings, structures, including all immediate grounds where slaughtering occurs under federal or state inspection, or otherwise authorized by the director.

(24) "Sow" means any female swine that has farrowed or given birth to or aborted 1 litter or more.

(25) "State veterinarian" means the chief animal health official of the state as appointed by the director under section 7, or his or her authorized representative.

(26) "Swine" means any of the ungulate mammals of the family suidae.

(27) "Terminal operation" means a facility for cattle, privately owned cervids, and goats to allow for continued growth and finishing until such time as the cattle, privately owned cervids, and goats are shipped directly to slaughter.

(28) "Toxic substance" means a natural or synthetic chemical in concentrations which alone or in combination with other natural or synthetic chemicals presents a threat to the health, safety, or welfare to human or animal life or which has the capacity to produce injury or illness through ingestion, inhalation, or absorption through the body surface.

(29) "Toxicological disease" means any condition caused by or related to a toxic substance.

(30) "U.S. registered shield" means a tattoo authorized and approved by the United States department of agriculture for use by an accredited veterinarian to designate cattle that have been vaccinated against brucellosis using an approved brucella abortus vaccine.

(31) "Veterinarian" means a person licensed to practice veterinary medicine under article 15 of the public health code, 1978 PA 368, MCL 333.16101 to 333.18838, or under a state or federal law applicable to that person.

(32) "Veterinary biological" means all viruses, serums, toxins, and analogous products of natural or synthetic origin, or products prepared from any type of genetic engineering, such as diagnostics, antitoxins, vaccines, live microorganisms, killed microorganisms, and the antigenic or immunizing components of microorganisms intended for use in the diagnosis, treatment, or prevention of diseases in animals.

(33) "Waters of the state" means groundwaters, lakes, rivers, and streams and all other watercourses and waters within the jurisdiction of the state and also the Great Lakes bordering the state.

(34) "Wild animal" means any nondomesticated animal or any cross of a nondomesticated animal.

## 287.712 Quarantine.

Sec. 12. (1) The director may issue a quarantine on animals, equipment, vehicles, structures, premises, or any area in the state, including the entire state if necessary, for the purpose of controlling or preventing the spread of a known or suspected infectious, contagious, or toxicological disease.

(2) A person shall not move animals that are under quarantine without permission from the director.

(3) A person shall not allow animals under quarantine to mingle or have contact with other animals not under quarantine without permission by the director.

(4) A person shall not import into this state an animal from another state or jurisdiction if that animal is under quarantine by the other state or jurisdiction unless that person obtains prior permission from the director.

(5) A person shall not import into this state an animal species, including a genetically engineered organism that is a variant of that species, from an area under quarantine for that species for any infectious, contagious, or toxicological disease unless permission is granted from the director.

(6) The director may prescribe procedures for the identification, inventory, separation, mode of handling, testing, treatment, feeding, and caring for both quarantined animals and animals within a quarantined area to prevent the infection or exposure of nonquarantined or quarantined animals to infectious, contagious, or toxicological diseases.

(7) The director may prescribe procedures required before any animal, structure, premises, or area or zone in this state, including the entirety of the state if necessary, are released from quarantine.

(8) An animal found running at large in violation of a quarantine may be killed by a law enforcement agency. The director may enlist the cooperation of a law enforcement agency to enforce the provisions of this quarantine. A law enforcement agency killing an animal due to a quarantine under this section is not subject to liability for the animal.

## 287.731 Species not to be imported; applicability of order to genetically engineered variant; wild or exotic animals; feral swine.

Sec. 31. (1) Any species having the potential to spread serious diseases or parasites, to cause serious physical harm, or to otherwise endanger native wildlife, human life, livestock, domestic animals, or property, as determined by the director, shall not be imported into this state. An order of the director under this subsection applies to a genetically engineered variant of the species identified in the order, unless the order expressly provides otherwise. An order of the director under this subsection may be limited to a genetically engineered organism.

(2) The director may require compliance with any or all of the following before the importation of a wild animal or an exotic animal species not regulated by the fish and wildlife service of the United States department of interior or the department of natural resources of this state:

(a) Physical examination by an accredited veterinarian be conducted after importation to determine the health status, proper housing, husbandry, and confinement of any animal permitted to enter this state.

(b) Negative test results to specific official tests required by the director within a time frame before importation into this state as determined by the director.

(c) Identification prior to importation in a manner approved by the director.

(3) An order of the director under subsection (2) applies to a genetically engineered variant of the species identified in the order, unless the order expressly provides otherwise. An order of the director under subsection (2) may be limited to a genetically engineered organism.

(4) An official interstate health certificate or official interstate certificate of veterinary inspection signed by an accredited veterinarian from the state of origin shall accompany

all wild animal or exotic animal species imported into this state. The official interstate health certificate or official interstate certificate of veterinary inspection shall comply with all the requirements of section 20(1)(a), (b), (c), (d), (e), and (f).

(5) A wild animal or exotic animal species permitted to enter this state shall receive housing, feeding, restraining, and care that is approved by the director.

(6) A person shall not import or release live feral swine or any crosses of feral swine in this state for any purpose without permission from the director.

Approved January 8, 2004.
Filed with Secretary of State January 8, 2004.

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## [No. 272]

### (SB 229)

AN ACT to amend 1996 PA 199, entitled "An act to define, develop, and regulate aquaculture as an agricultural enterprise in this state; to provide powers and duties of certain state agencies and departments; and to provide for certain penalties and remedies," by amending sections 2 and 4 (MCL 286.872 and 286.874).

*The People of the State of Michigan enact:*

### 286.872 Definitions.

Sec. 2. As used in this act:

(a) "Aquacultural products" means any products, coproducts, or by-products of aquaculture species.

(b) "Aquaculture" means the commercial husbandry of aquaculture species on the approved list of aquaculture species, including, but not limited to, the culturing, producing, growing, using, propagating, harvesting, transporting, importing, exporting, or marketing of aquacultural products under an appropriate permit or registration.

(c) "Aquaculture facility" means a farm or farm operation engaged in any aspect of aquaculture in privately controlled waters capable of holding all life stages of aquaculture species with a barrier or enclosure to prevent their escape into waters of the state.

(d) "Aquaculture facility registration" means a registration issued by the director allowing a facility to engage in aquaculture.

(e) "Aquaculture research permit" means a permit issued by the director to researchers to study and culture aquaculture species not included on the approved list of aquaculture species for the evaluation of aquacultural potential and to provide a scientific basis for including the aquaculture species on the approved list.

(f) "Aquaculture species" means aquatic animal organisms including, but not limited to, fish, crustaceans, mollusks, reptiles, or amphibians reared or cultured under controlled conditions in an aquaculture facility.

(g) "Aquaculturist" means a person involved in or engaged in any aspect of aquaculture.

(h) "Aquarium" means any park, building, cage, enclosure, or other structure or premises in which aquaculture species are kept for public exhibition or viewing, regardless of whether compensation is received.

(i) "Confinement research facility" means a facility holding an aquaculture research permit, enclosed in a secure structure, and separated from other aquaculture facilities and in which aquaculture species are isolated and maintained in complete and continuous confinement to prevent their escape into the environment and to prevent the release of any possible pathogens into the environment.

(j) "Department" means the Michigan department of agriculture.

(k) "Director" means the director of the Michigan department of agriculture or his or her designee.

(*l*) "Farm" or "farm operation" means those terms as defined in the Michigan right to farm act, 1981 PA 93, MCL 286.471 to 286.474.

(m) "Genetically engineered" refers to an organism whose genome, chromosomal or extrachromosomal, is modified permanently and heritably using recombinant nucleic acid techniques, or the progeny thereof.

(n) "Law enforcement officer" means a person appointed by the state or a local governmental unit who is responsible for the enforcement of the criminal laws of this state.

(o) "Person" means an individual, corporation, limited liability company, partnership, association, joint venture, or other legal entity.

(p) "Privately controlled waters" means waters controlled within ponds, vats, raceways, tanks, and any other indoor or outdoor structure wholly within or on land owned or leased by an aquaculturist and used with an aquaculture facility or confinement research facility. Privately controlled waters includes those waters diverted for use in an aquaculture facility by an aquaculturist exercising his or her riparian rights.

(q) "Recombinant nucleic acid techniques" means laboratory techniques through which genetic material is isolated and manipulated in vitro and then inserted into an organism.

(r) "Retail bait outlet" means a facility that sells directly to the consumer any live or dead organism, edible or digestible material, organic or processed food, or scented material each of which may be used to attract fish, including, but not limited to, worms, leeches, aquatic insects, crayfish, amphibians, fish eggs, minnows or other fish, marshmallows, cheese, pork rinds, or any part thereof.

(s) "Retail ornamental fish facility" means a facility in which a person sells, imports or exports at wholesale or retail, leases, or loans ornamental species of aquatic organisms that may live in fresh, brackish, or saltwater environments to the general public for home or public display purposes.

(t) "Waters of the state" means groundwaters, lakes, rivers, and streams and all other watercourses and waters within the jurisdiction of the state and also the Great Lakes bordering the state.

(u) "Zoo" means any park, building, cage, enclosure, or other structure or premises in which a live animal is kept for public exhibition or viewing, regardless of whether compensation is received.

### 286.874 Aquaculture as agricultural enterprise; products as property of aquaculturist; riparian rights for water diversion; exemption from certain restrictions; limitations on authority of aquaculturist; genetically engineered variant.

Sec. 4. (1) Aquaculture is an agricultural enterprise and is part of the farming and agricultural industry of this state. The director shall assure that aquaculture is afforded all rights, privileges, opportunities, and responsibilities of other agricultural enterprises.

(2) Aquaculture is a form of agriculture. Aquaculture facilities and aquaculture uses are a form of agricultural facilities and uses.

(3) Aquacultural products lawfully taken, produced, purchased, possessed, or acquired from within this state or imported into this state are the exclusive and private property of the aquaculturist.

(4) This act does not prohibit an aquaculturist from exercising riparian rights for water diversion. If water is discharged back into the waters of the state, the discharge shall be pursuant to any appropriate permit issued by the department of environmental quality, if such a permit is required.

(5) An aquaculturist harvesting aquaculture species from a registered aquaculture facility or a permitted confinement research facility is exempt from size, catch, and possession limits, closed seasons, and any other restriction imposed in parts 459 and 487 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.45901 to 324.45908 and 324.48701 to 324.48740.

(6) This act does not give an aquaculturist authority to take wild species from the waters of the state and held in trust, in violation of the natural resources and environmental protection act, 1994 PA 451, MCL 324.101 to 324.90106, unless under a permit issued by the department of natural resources.

(7) This act does not give an aquaculturist authority to release any aquaculture species into any waters of the state that are not an aquaculture facility unless the aquaculturist first obtains an appropriate permit from the director of the department of natural resources. It is intended that the department of natural resources shall consider a registration issued under this act as the equivalent of a game fish breeders license issued under part 459 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.45901 to 324.45908.

(8) Any movement, importing, or exporting of aquaculture species shall be in compliance with the animal industry act, 1988 PA 466, MCL 287.701 to 287.745, for purposes of obtaining a planting permit.

(9) For the purposes of this act, each genetically engineered variant of an aquaculture species shall be considered a distinct aquaculture species. A genetically engineered variant of an aquaculture species is not included on the list of approved aquaculture species under section 5 unless specifically identified on the list or specifically identified in a rule promulgated under section 12 as being included on the list. A genetically engineered organism that is a variant of an aquaculture species is not covered by an aquaculture research permit under section 8 unless specifically identified in the permit. An entry on the list of approved aquaculture species under section 5, a rule promulgated under section 12, or an aquaculture research permit under section 8 may be limited to a genetically engineered organism.

Approved January 8, 2004.
Filed with Secretary of State January 8, 2004.

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## [No. 273]

### (SB 814)

AN ACT to amend 1975 PA 228, entitled "An act to provide for the imposition, levy, computation, collection, assessment and enforcement, by lien or otherwise, of taxes on certain commercial, business, and financial activities; to prescribe the manner and times of making certain reports and paying taxes; to prescribe the powers and duties of public officers and state departments; to permit the inspection of records of taxpayers; to

provide for interest and penalties on unpaid taxes; to provide exemptions, credits, and refunds; to provide penalties; to provide for the disposition of funds; to provide for the interrelation of this act with other acts; and to provide an appropriation," by amending section 38e (MCL 208.38e), as amended by 1999 PA 184.

*The People of the State of Michigan enact:*

## 208.38e Apprenticeship tax credit.

Sec. 38e. (1) A taxpayer may claim a credit against the tax imposed by this act equal to the sum of 50% of the qualified expenses defined in subsection (5)(d)(*i*) and (*ii*) and 100% of the qualified expenses defined in subsection (5)(d)(*iii*) paid by the taxpayer in the tax year in each of the following circumstances:

(a) Except for apprentices trained under subdivision (b) or (c), an amount not to exceed $2,000.00 for each apprentice trained by the taxpayer in the tax year.

(b) For companies that have a classification under the North American industrial classification system (NAICS) of 333511, 333512, 333513, 333514, or 333515 and for tax years that begin after December 31, 2003, an amount not to exceed $4,000.00 for each apprentice trained by the taxpayer in the tax year.

(c) For companies that have a classification under the North American industrial classification system (NAICS) of 333511, 333512, 333513, 333514, or 333515 and for tax years that begin after December 31, 2003, an amount not to exceed $1,000.00 for each special apprentice trained by the taxpayer in the tax year.

(2) If the credit allowed under this section exceeds the tax liability of the taxpayer under this act for the tax year, that portion of the credit that exceeds the tax liability shall be refunded.

(3) The credit allowed under this section shall be claimed on the annual return required under section 73, or for a taxpayer that is not required to file an annual return, the department shall provide that the credit under this subsection may be claimed on the C-8044 form, a successor form for persons not required to file an annual return, or other simplified form prescribed by the department.

(4) For each year that this credit is in effect, the department of labor and economic growth shall prepare a report containing information including, but not limited to, the number of companies taking advantage of the apprenticeship credit, the number of apprentices participating in the program, the number of apprentices who complete a program the costs of which were the basis of a credit under this section, the number of apprentices that were hired by the taxpayer after the apprenticeship training was completed for which the taxpayer claimed a credit under this section for the costs of training that apprentice, information on the employment status of individuals who have completed an apprenticeship to the extent the information is available, and the fiscal impact of the apprenticeship credit. This report shall then be transmitted to the house tax policy and senate finance committees and to the house and senate appropriations committees. This report shall be due no later than the first day of March each year.

(5) As used in this section:

(a) "Apprentice" means a person who is a resident of this state, is 16 years of age or older but younger than 20 years of age, has not obtained a high school diploma, is enrolled in high school or a general education development (G.E.D.) test preparation program, and is trained by a taxpayer through a program that meets all of the following criteria:

(*i*) The program is registered with the bureau of apprenticeship and training of the United States department of labor.

(*ii*) The program is provided pursuant to an apprenticeship agreement signed by the taxpayer and the apprentice.

(*iii*) The program is filed with a local workforce development board.

(*iv*) The minimum term in hours for the program shall be not less than 4,000 hours.

(b) "Enrolled" means currently enrolled or expecting to enroll after a period of less than 3 months during which the program is not in operation and the apprentice is not enrolled.

(c) "Local workforce development board" means a board established by the chief elected official of a local unit of government pursuant to the job training partnership act, Public Law 97-300, 96 Stat. 1322, that has the responsibility to ensure that the workforce needs of the employers in the geographic area governed by the local unit of government are met.

(d) "Qualified expenses" means all of the following expenses paid by the taxpayer in a tax year that begins after December 31, 1996 for expenses used to calculate a credit under subsection (1)(a) and after December 31, 2003 for expenses used to calculate a credit under subsection (1)(b) that were not paid for with funds the taxpayer received or retained that the taxpayer would not otherwise have received or retained and that are used for training an apprentice:

(*i*) Salary and wages paid to an apprentice.

(*ii*) Fringe benefits and other payroll expenses paid for the benefit of an apprentice.

(*iii*) Costs of classroom instruction and related expenses identified as costs for which the taxpayer is responsible under an apprenticeship agreement, including but not limited to tuition, fees, and books for college level courses taken while the apprentice is enrolled in high school.

(e) "Special apprentice" means a person who is not an apprentice as defined by section (5)(a), is a resident of this state, is 16 years of age or older but younger than 25 years of age, and is trained by a taxpayer through a program that meets all of the criteria under subdivision (a)(*i*) to (*iv*).

This act is ordered to take immediate effect.
Approved January 8, 2004.
Filed with Secretary of State January 8, 2004.

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## [No. 274]

### (SB 811)

AN ACT to amend 1893 PA 206, entitled "An act to provide for the assessment of rights and interests, including leasehold interests, in property and the levy and collection of taxes on property, and for the collection of taxes levied; making those taxes a lien on the property taxed, establishing and continuing the lien, providing for the sale or forfeiture and conveyance of property delinquent for taxes, and for the inspection and disposition of lands bid off to the state and not redeemed or purchased; to provide for the establishment of a delinquent tax revolving fund and the borrowing of money by counties and the issuance of

notes; to define and limit the jurisdiction of the courts in proceedings in connection with property delinquent for taxes; to limit the time within which actions may be brought; to prescribe certain limitations with respect to rates of taxation; to prescribe certain powers and duties of certain officers, departments, agencies, and political subdivisions of this state; to provide for certain reimbursements of certain expenses incurred by units of local government; to provide penalties for the violation of this act; and to repeal acts and parts of acts," by amending section 9b and 27 (MCL 211.9b and 211.27), section 9b as amended by 1994 PA 189 and section 27 as amended by 2002 PA 744.

*The People of the State of Michigan enact:*

## 211.9b Special tool; exemption from taxation; definitions.

Sec. 9b. (1) A special tool is exempt from the collection of taxes under this act.

(2) A person claiming an exemption under this section shall include in the statement required under section 19 any special tool for which an exemption is claimed, indicating that the special tool is exempt under this section.

(3) As used in this section:

(a) "Product" means an item of tangible property that is directly created or produced through the manufacturing process. A product may be any of the following items:

(*i*) A part.

(*ii*) A special tool.

(*iii*) A component.

(*iv*) A sub-assembly.

(*v*) Completed goods that are available for sale or lease in wholesale or retail trade.

(b) "Special tool" means a finished or unfinished device such as a die, jig, fixture, mold, pattern, special gauge, or similar device, that is used, or is being prepared for use, to manufacture a product and that cannot be used to manufacture another product without substantial modification of the device. The length of the economic life of the product manufactured shall not be considered in making a determination whether a device used to manufacture that product is a special tool. Special tools do not include the following:

(*i*) A device that differs in character from dies, jigs, fixtures, molds, patterns, or special gauges.

(*ii*) Standard tools.

(*iii*) Machinery or equipment, even if customized, and even if used in conjunction with special tools.

(c) "Standard tool" means a die, jig, fixture, mold, pattern, gauge, or other tool that is not a special tool. Standard tool does not include machinery or equipment, even if customized, and even if used in conjunction with special tools or standard tools.

## 211.27 "True cash value" defined; considerations in determining value; indicating exclusions from true cash value on assessment roll; subsection (2) applicable only to residential property; repairs considered normal maintenance; exclusions from real estate sales data; "present economic income" defined; applicability of subsection (4); value of transferred property; "purchase price" defined; net book value.

Sec. 27. (1) As used in this act, "true cash value" means the usual selling price at the place where the property to which the term is applied is at the time of assessment, being

the price that could be obtained for the property at private sale, and not at auction sale except as otherwise provided in this section, or at forced sale. The usual selling price may include sales at public auction held by a nongovernmental agency or person if those sales have become a common method of acquisition in the jurisdiction for the class of property being valued. The usual selling price does not include sales at public auction if the sale is part of a liquidation of the seller's assets in a bankruptcy proceeding or if the seller is unable to use common marketing techniques to obtain the usual selling price for the property. A sale or other disposition by this state or an agency or political subdivision of this state of land acquired for delinquent taxes or an appraisal made in connection with the sale or other disposition or the value attributed to the property of regulated public utilities by a governmental regulatory agency for rate-making purposes is not controlling evidence of true cash value for assessment purposes. In determining the true cash value, the assessor shall also consider the advantages and disadvantages of location; quality of soil; zoning; existing use; present economic income of structures, including farm structures; present economic income of land if the land is being farmed or otherwise put to income producing use; quantity and value of standing timber; water power and privileges; and mines, minerals, quarries, or other valuable deposits known to be available in the land and their value. In determining the true cash value of personal property owned by an electric utility cooperative, the assessor shall consider the number of kilowatt hours of electricity sold per mile of distribution line compared to the average number of kilowatt hours of electricity sold per mile of distribution line for all electric utilities.

(2) The assessor shall not consider the increase in true cash value that is a result of expenditures for normal repairs, replacement, and maintenance in determining the true cash value of property for assessment purposes until the property is sold. For the purpose of implementing this subsection, the assessor shall not increase the construction quality classification or reduce the effective age for depreciation purposes, except if the appraisal of the property was erroneous before nonconsideration of the normal repair, replacement, or maintenance, and shall not assign an economic condition factor to the property that differs from the economic condition factor assigned to similar properties as defined by appraisal procedures applied in the jurisdiction. The increase in value attributable to the items included in subdivisions (a) to (o) that is known to the assessor and excluded from true cash value shall be indicated on the assessment roll. This subsection applies only to residential property. The following repairs are considered normal maintenance if they are not part of a structural addition or completion:

(a) Outside painting.

(b) Repairing or replacing siding, roof, porches, steps, sidewalks, or drives.

(c) Repainting, repairing, or replacing existing masonry.

(d) Replacing awnings.

(e) Adding or replacing gutters and downspouts.

(f) Replacing storm windows or doors.

(g) Insulating or weatherstripping.

(h) Complete rewiring.

(i) Replacing plumbing and light fixtures.

(j) Replacing a furnace with a new furnace of the same type or replacing an oil or gas burner.

(k) Repairing plaster, inside painting, or other redecorating.

(*l*) New ceiling, wall, or floor surfacing.

(m) Removing partitions to enlarge rooms.

(n) Replacing an automatic hot water heater.

(o) Replacing dated interior woodwork.

(3) A city or township assessor, a county equalization department, or the state tax commission before utilizing real estate sales data on real property purchases, including purchases by land contract, to determine assessments or in making sales ratio studies to assess property or equalize assessments shall exclude from the sales data the following amounts allowed by subdivisions (a), (b), and (c) to the extent that the amounts are included in the real property purchase price and are so identified in the real estate sales data or certified to the assessor as provided in subdivision (d):

(a) Amounts paid for obtaining financing of the purchase price of the property or the last conveyance of the property.

(b) Amounts attributable to personal property that were included in the purchase price of the property in the last conveyance of the property.

(c) Amounts paid for surveying the property pursuant to the last conveyance of the property. The legislature may require local units of government, including school districts, to submit reports of revenue lost under subdivisions (a) and (b) and this subdivision so that the state may reimburse those units for that lost revenue.

(d) The purchaser of real property, including a purchaser by land contract, may file with the assessor of the city or township in which the property is located 2 copies of the purchase agreement or of an affidavit that identifies the amount, if any, for each item listed in subdivisions (a) to (c). One copy shall be forwarded by the assessor to the county equalization department. The affidavit shall be prescribed by the state tax commission.

(4) As used in subsection (1), "present economic income" means for leased or rented property the ordinary, general, and usual economic return realized from the lease or rental of property negotiated under current, contemporary conditions between parties equally knowledgeable and familiar with real estate values. The actual income generated by the lease or rental of property is not the controlling indicator of its true cash value in all cases. This subsection does not apply to property subject to a lease entered into before January 1, 1984 for which the terms of the lease governing the rental rate or tax liability have not been renegotiated after December 31, 1983. This subsection does not apply to a nonprofit housing cooperative subject to regulatory agreements between the state or federal government entered into before January 1, 1984. As used in this subsection, "nonprofit cooperative housing corporation" means a nonprofit cooperative housing corporation that is engaged in providing housing services to its stockholders and members and that does not pay dividends or interest upon stock or membership investment but that does distribute all earnings to its stockholders or members.

(5) Beginning December 31, 1994, the purchase price paid in a transfer of property is not the presumptive true cash value of the property transferred. In determining the true cash value of transferred property, an assessing officer shall assess that property using the same valuation method used to value all other property of that same classification in the assessing jurisdiction. As used in this subsection, "purchase price" means the total consideration agreed to in an arms-length transaction and not at a forced sale paid by the purchaser of the property, stated in dollars, whether or not paid in dollars.

(6) For purposes of a statement submitted under section 19, the true cash value of a standard tool is the net book value of that standard tool as of December 31 in each tax year as determined using generally accepted accounting principles in a manner consistent with the established depreciation method used by the person submitting that statement.

The net book value of a standard tool for federal income tax purposes is not the presumptive true cash value of that standard tool. As used in this subsection, "standard tool" means that term as defined in section 9b.

This act is ordered to take immediate effect.
Approved January 8, 2004.
Filed with Secretary of State January 8, 2004.

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## [No. 275]

### (SB 787)

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 1997 PA 180.

*The People of the State of Michigan enact:*

### 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.

(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 pupil performance on Michigan education assessment program (MEAP) tests and the percentage of pupils achieving state endorsement under section 1279 as criteria, but shall not be based solely on pupil performance on MEAP tests or on the percentage of pupils achieving state endorsement under section 1279. The standards shall also include multiple year change in pupil performance on MEAP tests and multiple year change in the percentage of pupils achieving state endorsement under section 1279 as criteria. 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, 115 Stat. 1425. 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.

This act is ordered to take immediate effect.
Approved January 8, 2004.
Filed with Secretary of State January 8, 2004.

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## [No. 276]

### (SB 485)

AN ACT to amend 1982 PA 295, entitled "An act to provide for and to supplement statutes that provide for the provisions and enforcement of support, health care, and parenting time orders with respect to divorce, separate maintenance, paternity, child custody and support, and spousal support; to prescribe and authorize certain provisions of those orders; to prescribe the powers and duties of the circuit court and friend of the court; to prescribe certain duties of certain employers and other sources of income; to provide for penalties and remedies; and to repeal acts and parts of acts," by amending section 3a (MCL 552.603a), as amended by 2002 PA 572.

*The People of the State of Michigan enact:*

### 552.603a Support payment; surcharge; addition of past due rate; application.

Sec. 3a. (1) For a friend of the court case, as of January 1 and July 1 of each year, a surcharge shall be added to support payments that are past due as of those dates. The surcharge shall be calculated at 6-month intervals at an annual rate of interest equal to 1% plus the average interest rate paid at auctions of 5-year United States treasury notes during the 6 months immediately preceding July 1 and January 1, as certified by the state treasurer. The amount of the surcharge shall not compound. The amount shown as due and owing on the records of the friend of the court as of January 1 and July 1 of each year shall be reduced by an amount equal to 1 month's support for purposes of assessing the surcharge. A surcharge under this subsection shall not be added to support ordered under the paternity act, 1956 PA 205, MCL 722.711 to 722.730, for the time period to the date of the support order.

(2) Upon receiving money for payment of support, the friend of the court shall apply the amount received first to current support and then to the support arrearage including surcharges imposed under this section.

### Effective date.

Enacting section 1. This amendatory act takes effect January 15, 2004.

This act is ordered to take immediate effect.
Approved January 8, 2004.
Filed with Secretary of State January 8, 2004.

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## [No. 277]

**(SB 849)**

AN ACT to amend 1996 PA 381, entitled "An act to authorize municipalities to create a brownfield redevelopment authority to facilitate the implementation of brownfield plans relating to the designation and treatment of brownfield redevelopment zones; to promote the revitalization of environmentally distressed areas; to prescribe the powers and duties of brownfield redevelopment authorities; to permit the issuance of bonds and other evidences of indebtedness by an authority; to authorize the acquisition and disposal of certain property; to authorize certain funds; to prescribe certain powers and duties of certain state officers and agencies; and to authorize and permit the use of certain tax increment financing," by amending section 2 (MCL 125.2652), as amended by 2002 PA 254.

*The People of the State of Michigan enact:*

### 125.2652 Definitions.

Sec. 2. As used in this act:

(a) "Additional response activities" means response activities identified as part of a brownfield plan that are in addition to baseline environmental assessment activities and due care activities for an eligible property.

(b) "Authority" means a brownfield redevelopment authority created under this act.

(c) "Baseline environmental assessment" means that term as defined in section 20101 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20101.

(d) "Baseline environmental assessment activities" means those response activities identified as part of a brownfield plan that are necessary to complete a baseline environmental assessment for an eligible property in the brownfield plan.

(e) "Blighted" means property that meets any of the following criteria:

(*i*) Has been declared a public nuisance in accordance with a local housing, building, plumbing, fire, or other related code or ordinance.

(*ii*) Is an attractive nuisance to children because of physical condition, use, or occupancy.

(*iii*) Is a fire hazard or is otherwise dangerous to the safety of persons or property.

(*iv*) Has had the utilities, plumbing, heating, or sewerage permanently disconnected, destroyed, removed, or rendered ineffective so that the property is unfit for its intended use.

(*v*) Is tax reverted property owned by a qualified local governmental unit, by a county, or by this state. The sale, lease, or transfer of tax reverted property by a qualified local governmental unit, county, or this state after the property's inclusion in a brownfield plan shall not result in the loss to the property of the status as blighted property for purposes of this act.

(*vi*) Is property owned or under the control of a land bank fast track authority under the land bank fast track act, whether or not located within a qualified local governmental unit. Property included within a brownfield plan prior to the date it meets the requirements of this subdivision to be eligible property shall be considered to become eligible property as of the date the property is determined to have been or becomes qualified as, or is combined with, other eligible property. The sale, lease, or transfer of the property by a land bank fast track authority after the property's inclusion in a brownfield plan shall not result in the loss to the property of the status as blighted property for purposes of this act.

(f) "Board" means the governing body of an authority.

(g) "Brownfield plan" means a plan that meets the requirements of section 13 and is adopted under section 14.

(h) "Captured taxable value" means the amount in 1 year by which the current taxable value of an eligible property subject to a brownfield plan, including the taxable value or assessed value, as appropriate, of the property for which specific taxes are paid in lieu of property taxes, exceeds the initial taxable value of that eligible property. The state tax commission shall prescribe the method for calculating captured taxable value.

(i) "Chief executive officer" means the mayor of a city, the village manager of a village, the township supervisor of a township, or the county executive of a county or, if the county does not have an elected county executive, the chairperson of the county board of commissioners.

(j) "Department" means the department of environmental quality.

(k) "Due care activities" means those response activities identified as part of a brownfield plan that are necessary to allow the owner or operator of an eligible property in the plan to comply with the requirements of section 20107a of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20107a.

(*l*) "Eligible activities" or "eligible activity" does not include activities related to multisource commercial hazardous waste disposal wells as that term is defined in

section 62506a of the natural resources and environmental protection act, 1994 PA 451, MCL 324.62506a, but means 1 or more of the following:

(*i*) Baseline environmental assessment activities.

(*ii*) Due care activities.

(*iii*) Additional response activities.

(*iv*) For eligible activities on eligible property that was used or is currently used for commercial, industrial, or residential purposes that is in a qualified local governmental unit, or that is owned or under the control of a land bank fast track authority, and is a facility, functionally obsolete, or blighted, and except for purposes of section 38d of the single business tax act, 1975 PA 228, MCL 208.38d, the following additional activities:

(A) Infrastructure improvements that directly benefit eligible property.

(B) Demolition of structures that is not response activity under section 20101 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20101.

(C) Lead or asbestos abatement.

(D) Site preparation that is not response activity under section 20101 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20101.

(E) Assistance to a land bank fast track authority in clearing or quieting title to, or selling or otherwise conveying, property owned or under the control of a land bank fast track authority.

(*v*) Relocation of public buildings or operations for economic development purposes with prior approval of the Michigan economic development authority.

(m) "Eligible property" means property for which eligible activities are identified under a brownfield plan that was used or is currently used for commercial, industrial, or residential purposes that is either in a qualified local governmental unit and is a facility, functionally obsolete, or blighted or is not in a qualified local governmental unit and is a facility, and includes parcels that are adjacent or contiguous to that property if the development of the adjacent and contiguous parcels is estimated to increase the captured taxable value of that property or tax reverted property owned or under the control of a land bank fast track authority. Eligible property includes, to the extent included in the brownfield plan, personal property located on the property. Eligible property does not include qualified agricultural property exempt under section 7ee of the general property tax act, 1893 PA 206, MCL 211.7ee, from the tax levied by a local school district for school operating purposes to the extent provided under section 1211 of the revised school code, 1976 PA 451, MCL 380.1211.

(n) "Facility" means that term as defined in section 20101 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20101.

(o) "Fiscal year" means the fiscal year of the authority.

(p) "Functionally obsolete" means that the property is unable to be used to adequately perform the function for which it was intended due to a substantial loss in value resulting from factors such as overcapacity, changes in technology, deficiencies or superadequacies in design, or other similar factors that affect the property itself or the property's relationship with other surrounding property.

(q) "Governing body" means the elected body having legislative powers of a municipality creating an authority under this act.

(r) "Infrastructure improvements" means a street, road, sidewalk, parking facility, pedestrian mall, alley, bridge, sewer, sewage treatment plant, property designed to reduce, eliminate, or prevent the spread of identified soil or groundwater contamination, drainage system, waterway, waterline, water storage facility, rail line, utility line or

pipeline, or other similar or related structure or improvement, together with necessary easements for the structure or improvement, owned or used by a public agency or functionally connected to similar or supporting property owned or used by a public agency, or designed and dedicated to use by, for the benefit of, or for the protection of the health, welfare, or safety of the public generally, whether or not used by a single business entity, provided that any road, street, or bridge shall be continuously open to public access and that other property shall be located in public easements or rights-of-way and sized to accommodate reasonably foreseeable development of eligible property in adjoining areas.

(s) "Initial taxable value" means the taxable value of an eligible property identified in and subject to a brownfield plan at the time the resolution adding that eligible property in the brownfield plan is adopted, as shown either by the most recent assessment roll for which equalization has been completed at the time the resolution is adopted or, if provided by the brownfield plan, by the next assessment roll for which equalization will be completed following the date the resolution adding that eligible property in the brownfield plan is adopted. Property exempt from taxation at the time the initial taxable value is determined shall be included with the initial taxable value of zero. Property for which a specific tax is paid in lieu of property tax shall not be considered exempt from taxation. The state tax commission shall prescribe the method for calculating the initial taxable value of property for which a specific tax was paid in lieu of property tax.

(t) "Land bank fast track authority" means an authority created under the land bank fast track act.

(u) "Local taxes" means all taxes levied other than taxes levied for school operating purposes.

(v) "Municipality" means all of the following:

(*i*) A city.

(*ii*) A village.

(*iii*) A township in those areas of the township that are outside of a village.

(*iv*) A township in those areas of the township that are in a village upon the concurrence by resolution of the village in which the zone would be located.

(*v*) A county.

(w) "Owned or under the control of" means that a land bank fast track authority has 1 or more of the following:

(*i*) An ownership interest in the property.

(*ii*) A tax lien on the property.

(*iii*) A tax deed to the property.

(*iv*) A contract with this state or a political subdivision of this state to enforce a lien on the property.

(*v*) A right to collect delinquent taxes, penalties, or interest on the property.

(*vi*) The ability to exercise its authority over the property.

(x) "Qualified local governmental unit" means that term as defined in the obsolete property rehabilitation act, 2000 PA 146, MCL 125.2781 to 125.2797.

(y) "Qualified taxpayer" means that term as defined in sections 38d and 38g of the single business tax act, 1975 PA 228, MCL 208.38d and 208.38g.

(z) "Remedial action plan" means a plan that meets both of the following requirements:

(*i*) Is a remedial action plan as that term is defined in section 20101 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20101.

(*ii*) Describes each individual activity to be conducted to complete eligible activities and the associated costs of each individual activity.

(aa) "Response activity" means that term as defined in section 20101 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.20101.

(bb) "Specific taxes" means a tax levied under 1974 PA 198, MCL 207.551 to 207.572; the commercial redevelopment act, 1978 PA 255, MCL 207.651 to 207.668; the enterprise zone act, 1985 PA 224, MCL 125.2101 to 125.2123; 1953 PA 189, MCL 211.181 to 211.182; the technology park development act, 1984 PA 385, MCL 207.701 to 207.718; the obsolete property rehabilitation act, 2000 PA 146, MCL 125.2781 to 125.2797; the neighborhood enterprise zone act, 1992 PA 147, MCL 207.771 to 207.786; or that portion of the tax levied under the tax reverted property clean title act that is not required to be distributed to a land bank fast track authority.

(cc) "Tax increment revenues" means the amount of ad valorem property taxes and specific taxes attributable to the application of the levy of all taxing jurisdictions upon the captured taxable value of each parcel of eligible property subject to a brownfield plan and personal property located on that property. Tax increment revenues exclude ad valorem property taxes specifically levied for the payment of principal of and interest on either obligations approved by the electors or obligations pledging the unlimited taxing power of the local governmental unit, and specific taxes attributable to those ad valorem property taxes. Tax increment revenues attributable to eligible property also exclude the amount of ad valorem property taxes or specific taxes captured by a downtown development authority, tax increment finance authority, or local development finance authority if those taxes were captured by these other authorities on the date that eligible property became subject to a brownfield plan under this act.

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

(ee) "Taxes levied for school operating purposes" means all of the following:

(*i*) The taxes levied by a local school district for operating purposes.

(*ii*) The taxes levied under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906.

(*iii*) That portion of specific taxes attributable to taxes described under subparagraphs (*i*) and (*ii*).

(ff) "Work plan" means a plan that describes each individual activity to be conducted to complete eligible activities and the associated costs of each individual activity.

(gg) "Zone" means, for an authority established before June 6, 2000, a brownfield redevelopment zone designated under this act.

This act is ordered to take immediate effect.
Approved January 8, 2004.
Filed with Secretary of State January 8, 2004.

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## [No. 278]

### (SB 667)

AN ACT to amend 1974 PA 258, entitled "An act to codify, revise, consolidate, and classify the laws relating to mental health; to prescribe the powers and duties of certain

state and local agencies and officials and certain private agencies and individuals; to regulate certain agencies and facilities providing mental health services; to provide for certain charges and fees; to establish civil admission procedures for individuals with mental illness or developmental disability; to establish guardianship procedures for individuals with developmental disability; to establish procedures regarding individuals with mental illness or developmental disability who are in the criminal justice system; to provide for penalties and remedies; and to repeal acts and parts of acts," by amending section 222 (MCL 330.1222), as amended by 2002 PA 596.

*The People of the State of Michigan enact:*

## 330.1222 Board; composition; residence of members; exclusions; approval of contract; exception; size of board in excess of MCL 330.1212; compliance.

Sec. 222. (1) The composition of a community mental health services board shall be representative of providers of mental health services, recipients or primary consumers of mental health services, agencies and occupations having a working involvement with mental health services, and the general public. At least 1/3 of the membership shall be primary consumers or family members, and of that 1/3 at least 1/2 of those members shall be primary consumers. All board members shall be 18 years of age or older.

(2) Not more than 4 members of a board may be county commissioners, except that if a board represents 5 or more counties, the number of county commissioners who may serve on the board may equal the number of counties represented on the board, and the total of 12 board memberships shall be increased by the number of county commissioners serving on the board that exceeds 4. In addition to an increase in board memberships related to the number of county commissioners serving on a board that represents 5 or more counties, board memberships may also be expanded to more than the total of 12 to ensure that each county is entitled to at least 2 board memberships, which may include county commissioners from that county who are members of the board if the board represents 5 or more counties. Not more than 1/2 of the total board members may be state, county, or local public officials. For purposes of this section, public officials are defined as individuals serving in an elected or appointed public office or employed more than 20 hours per week by an agency of federal, state, city, or local government.

(3) A board member shall have his or her primary place of residence in the county he or she represents.

(4) An individual shall not be appointed to and shall not serve on a board if he or she is 1 or more of the following:

(a) Employed by the department or the community mental health services program.

(b) A party to a contract with the community mental health services program or administering or benefiting financially from a contract with the community mental health services program, except for a party to a contract between a community mental health services program and a regional entity or a separate legal or an administrative entity created by 2 or more community mental health services programs under the urban cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512, or under 1967 (Ex Sess) PA 8, MCL 124.531 to 124.536.

(c) Serving in a policy-making position with an agency under contract with the community mental health services program, except for an individual serving in a policy-making position with a joint board or commission established under 1967 (Ex Sess) PA 8, MCL 124.531 to 124.536, or a regional entity to provide community mental health services.

(5) If a board member is an employee or independent contractor in other than a policy-making position with an agency with which the board is considering entering into a contract, the contract shall not be approved unless all of the following requirements are met:

(a) The board member shall promptly disclose his or her interest in the contract to the board.

(b) The contract shall be approved by a vote of not less than 2/3 of the membership of the board in an open meeting without the vote of the board member in question.

(c) The official minutes of the meeting at which the contract is approved contains the details of the contract including, but not limited to, names of all parties and the terms of the contract and the nature of the board member's interest in the contract.

(6) Subsection (5) does not apply to a board member who is an employee or independent contractor in other than a policy-making position with a joint board or commission established under 1967 (Ex Sess) PA 8, MCL 124.531 to 124.536, a separate legal or administrative entity established under the urban cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512, a combination of municipal corporations joined under 1951 PA 35, MCL 124.1 to 124.13, or a regional entity to provide community mental health services.

(7) In order to meet the requirement under subsection (1) related to the appointment of primary consumers and family members without terminating the appointment of a board member serving on March 28, 1996, the size of a board may exceed the size prescribed in section 212. A board that is different in size than that prescribed in section 212 shall be brought into compliance within 3 years after the appointment of the additional board members.

This act is ordered to take immediate effect.
Approved January 8, 2004.
Filed with Secretary of State January 8, 2004.

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## [No. 279]

### (SB 476)

AN ACT to amend 1989 PA 24, entitled "An act to provide for the establishment and maintenance of district libraries; to provide for district library boards; to define the powers and duties of certain state and local governmental entities; to prescribe penalties and provide remedies; and to repeal acts and parts of acts," by amending section 25 (MCL 397.195), as amended by 2002 PA 540; and to repeal acts and parts of acts.

*The People of the State of Michigan enact:*

### 397.195 Municipality other than school district as party to existing agreement; requirements; acceptance conditioned on authorization of tax; change in number of mills based on district library agreement.

Sec. 25. (1) A municipality other than a school district may become a party to an existing agreement if the agreement's requirements concerning the addition of a participating municipality are satisfied, or, in the absence of requirements in the agreement, if each of the following requirements is satisfied:

(a) The legislative body of the municipality resolves by majority vote that the municipality become a participating municipality and that all or, pursuant to section 3(2), a portion of the territory of the municipality be added to the district.