(2) Except as otherwise provided in subsection (3), a purchaser shall not remove alcoholic liquor sold by a vendor for consumption on the premises from those premises.

(3) A vendor licensed to sell wine on the premises may allow an individual who has purchased a meal and who has purchased and partially consumed a bottle of wine with the meal, to remove the partially consumed bottle from the premises upon departure. This subsection does not allow the removal of any additional unopened bottles of wine unless the vendor is licensed as a specially designated merchant. The licensee or the licensee's clerk, agent, or employee shall reinsert a cork so that the top of the cork is level with the lip of the bottle. The transportation or possession of the partially consumed bottle of wine shall be in compliance with section 624a of the Michigan vehicle code, 1949 PA 300, MCL 257.624a.

(4) This act and rules promulgated under this act do not prevent a class A or B hotel designed to attract and accommodate tourists and visitors in a resort area from allowing its invitees or guests to possess or consume, or both, on or about its premises, alcoholic liquor purchased by the invitee or guest from an off-premises retailer, and does not prevent a guest or invitee from entering and exiting the licensed premises with alcoholic liquor purchased from an off-premises retailer.

This act is ordered to take immediate effect.
Approved May 19, 2005.
Filed with Secretary of State May 19, 2005.

[No. 22]

(HB 4242)

AN ACT to amend 1978 PA 368, entitled "An act to protect and promote the public health; to codify, revise, consolidate, classify, and add to the laws relating to public health; to provide for the prevention and control of diseases and disabilities; to provide for the classification, administration, regulation, financing, and maintenance of personal, environmental, and other health services and activities; to create or continue, and prescribe the powers and duties of, departments, boards, commissions, councils, committees, task forces, and other agencies; to prescribe the powers and duties of governmental entities and officials; to regulate occupations, facilities, and agencies affecting the public health; to regulate health maintenance organizations and certain third party administrators and insurers; to provide for the imposition of a regulatory fee; to provide for the levy of taxes against certain health facilities or agencies; to promote the efficient and economical delivery of health care services, to provide for the appropriate utilization of health care facilities and services, and to provide for the closure of hospitals or consolidation of hospitals or services; to provide for the collection and use of data and information; to provide for the transfer of property; to provide certain immunity from liability; to regulate and prohibit the sale and offering for sale of drug paraphernalia under certain circumstances; to provide for the implementation of federal law; to provide for penalties and remedies; to provide for sanctions for violations of this act and local ordinances; to provide for an appropriation and supplements; to repeal certain acts and parts of acts; to repeal certain parts of this act; and to repeal certain parts of this act on specific dates," by amending section 2830 (MCL 333.2830), as amended by 1994 PA 242.

The People of the State of Michigan enact:

333.2830 Adoption of child born outside United States, territory of United States, or Canada; filing, form, and contents of delayed registration of birth; petition for issuance of delayed registration of birth; entering change of name.

Sec. 2830. (1) If a child whose birth occurred outside the United States, a territory of the United States, or Canada is adopted by a resident of this state under the laws of this state or under the laws of a foreign country, the probate court, on motion of the adopting parent, may file a delayed registration of birth on a form provided by the department. The delayed registration shall contain the date and place of birth and other facts specified by the department.

(2) If the date and place of birth of a child described in subsection (1) cannot be documented from foreign records or a medical assessment of the development of the child indicates that the date of birth as stated in the immigration records is not correct, the court shall determine the facts and establish a date and place of birth and may file a delayed registration of birth as provided in subsection (1).

(3) Upon the petition of a child adopted in this state whose birth occurred outside the United States, a territory of the United States, or Canada, or a petition of the child's adoptive parents, the court that issued an order of adoption for that child before the effective date of this section may issue a delayed registration of birth for the adopted child as provided in subsection (1).

(4) A probate court may, at the request of the adopting parent when filing a delayed registration of birth under subsection (1), enter a new name for the child on the delayed registration of birth. After the filing of a delayed registration of birth that includes a change of name, the new name shall be the legal name of the adopted child.

This act is ordered to take immediate effect.
Approved May 19, 2005.
Filed with Secretary of State May 19, 2005.

[No. 23]

(HB 4065)

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 27a (MCL 211.27a), as amended by 2000 PA 260.

The People of the State of Michigan enact:

211.27a Property tax assessment; determining taxable value; adjustment; exception; "transfer of ownership" defined; qualified agricultural property; notice of transfer of property; applicability of subsection (10); definitions.

Sec. 27a. (1) Except as otherwise provided in this section, property shall be assessed at 50% of its true cash value under section 3 of article IX of the state constitution of 1963.

(2) Except as otherwise provided in subsection (3), for taxes levied in 1995 and for each year after 1995, the taxable value of each parcel of property is the lesser of the following:

(a) The property's taxable value in the immediately preceding year minus any losses, multiplied by the lesser of 1.05 or the inflation rate, plus all additions. For taxes levied in 1995, the property's taxable value in the immediately preceding year is the property's state equalized valuation in 1994.

(b) The property's current state equalized valuation.

(3) Upon a transfer of ownership of property after 1994, the property's taxable value for the calendar year following the year of the transfer is the property's state equalized valuation for the calendar year following the transfer.

(4) If the taxable value of property is adjusted under subsection (3), a subsequent increase in the property's taxable value is subject to the limitation set forth in subsection (2) until a subsequent transfer of ownership occurs. If the taxable value of property is adjusted under subsection (3) and the assessor determines that there had not been a transfer of ownership, the taxable value of the property shall be adjusted at the July or December board of review. Notwithstanding the limitation provided in section 53b(1) on the number of years for which a correction may be made, the July or December board of review may adjust the taxable value of property under this subsection for the current year and for the 3 immediately preceding calendar years. A corrected tax bill shall be issued for each tax year for which the taxable value is adjusted by the local tax collecting unit if the local tax collecting unit has possession of the tax roll or by the county treasurer if the county has possession of the tax roll. For purposes of section 53b, an adjustment under this subsection shall be considered the correction of a clerical error.

(5) Assessment of property, as required in this section and section 27, is inapplicable to the assessment of property subject to the levy of ad valorem taxes within voted tax limitation increases to pay principal and interest on limited tax bonds issued by any governmental unit, including a county, township, community college district, or school district, before January 1, 1964, if the assessment required to be made under this act would be less than the assessment as state equalized prevailing on the property at the time of the issuance of the bonds. This inapplicability shall continue until levy of taxes to pay principal and interest on the bonds is no longer required. The assessment of property required by this act shall be applicable for all other purposes.

(6) As used in this act, "transfer of ownership" means the conveyance of title to or a present interest in property, including the beneficial use of the property, the value of which is substantially equal to the value of the fee interest. Transfer of ownership of property includes, but is not limited to, the following:

(a) A conveyance by deed.

(b) A conveyance by land contract. The taxable value of property conveyed by a land contract executed after December 31, 1994 shall be adjusted under subsection (3) for the calendar year following the year in which the contract is entered into and shall not be subsequently adjusted under subsection (3) when the deed conveying title to the property is recorded in the office of the register of deeds in the county in which the property is located.

(c) A conveyance to a trust after December 31, 1994, except if the settlor or the settlor's spouse, or both, conveys the property to the trust and the sole present beneficiary or beneficiaries are the settlor or the settlor's spouse, or both.

(d) A conveyance by distribution from a trust, except if the distributee is the sole present beneficiary or the spouse of the sole present beneficiary, or both.

(e) A change in the sole present beneficiary or beneficiaries of a trust, except a change that adds or substitutes the spouse of the sole present beneficiary.

(f) A conveyance by distribution under a will or by intestate succession, except if the distributee is the decedent's spouse.

(g) A conveyance by lease if the total duration of the lease, including the initial term and all options for renewal, is more than 35 years or the lease grants the lessee a bargain purchase option. As used in this subdivision, "bargain purchase option" means the right to purchase the property at the termination of the lease for not more than 80% of the property's projected true cash value at the termination of the lease. After December 31, 1994, the taxable value of property conveyed by a lease with a total duration of more than 35 years or with a bargain purchase option shall be adjusted under subsection (3) for the calendar year following the year in which the lease is entered into. This subdivision does not apply to personal property except buildings described in section 14(6) and personal property described in section 8(h), (i), and (j). This subdivision does not apply to that portion of the property not subject to the leasehold interest conveyed.

(h) A conveyance of an ownership interest in a corporation, partnership, sole proprietorship, limited liability company, limited liability partnership, or other legal entity if the ownership interest conveyed is more than 50% of the corporation, partnership, sole proprietorship, limited liability company, limited liability partnership, or other legal entity. Unless notification is provided under subsection (10), the corporation, partnership, sole proprietorship, limited liability company, limited liability partnership, or other legal entity shall notify the assessing officer on a form provided by the state tax commission not more than 45 days after a conveyance of an ownership interest that constitutes a transfer of ownership under this subdivision.

(i) A transfer of property held as a tenancy in common, except that portion of the property not subject to the ownership interest conveyed.

(j) A conveyance of an ownership interest in a cooperative housing corporation, except that portion of the property not subject to the ownership interest conveyed.

(7) Transfer of ownership does not include the following:

(a) The transfer of property from 1 spouse to the other spouse or from a decedent to a surviving spouse.

(b) A transfer from a husband, a wife, or a husband and wife creating or disjoining a tenancy by the entireties in the grantors or the grantor and his or her spouse.

(c) A transfer of that portion of property subject to a life estate or life lease retained by the transferor, until expiration or termination of the life estate or life lease. That portion of property transferred that is not subject to a life lease shall be adjusted under subsection (3).

(d) A transfer through foreclosure or forfeiture of a recorded instrument under chapter 31, 32, or 57 of the revised judicature act of 1961, 1961 PA 236, MCL 600.3101 to 600.3280 and MCL 600.5701 to 600.5785, or through deed or conveyance in lieu of a foreclosure or forfeiture, until the mortgagee or land contract vendor subsequently transfers the property. If a mortgagee does not transfer the property within 1 year of the expiration of any applicable redemption period, the property shall be adjusted under subsection (3).

(e) A transfer by redemption by the person to whom taxes are assessed of property previously sold for delinquent taxes.

(f) A conveyance to a trust if the settlor or the settlor's spouse, or both, conveys the property to the trust and the sole present beneficiary of the trust is the settlor or the settlor's spouse, or both.

(g) A transfer pursuant to a judgment or order of a court of record making or ordering a transfer, unless a specific monetary consideration is specified or ordered by the court for the transfer.

(h) A transfer creating or terminating a joint tenancy between 2 or more persons if at least 1 of the persons was an original owner of the property before the joint tenancy was initially created and, if the property is held as a joint tenancy at the time of conveyance, at least 1 of the persons was a joint tenant when the joint tenancy was initially created and that person has remained a joint tenant since the joint tenancy was initially created. A joint owner at the time of the last transfer of ownership of the property is an original owner of the property. For purposes of this subdivision, a person is an original owner of property owned by that person's spouse.

(i) A transfer for security or an assignment or discharge of a security interest.

(j) A transfer of real property or other ownership interests among members of an affiliated group. As used in this subsection, "affiliated group" means 1 or more corporations connected by stock ownership to a common parent corporation. Upon request by the state tax commission, a corporation shall furnish proof within 45 days that a transfer meets the requirements of this subdivision. A corporation that fails to comply with a request by the state tax commission under this subdivision is subject to a fine of $200.00.

(k) Normal public trading of shares of stock or other ownership interests that, over any period of time, cumulatively represent more than 50% of the total ownership interest in a corporation or other legal entity and are traded in multiple transactions involving unrelated individuals, institutions, or other legal entities.

(*l*) A transfer of real property or other ownership interests among corporations, partnerships, limited liability companies, limited liability partnerships, or other legal entities if the entities involved are commonly controlled. Upon request by the state tax commission, a corporation, partnership, limited liability company, limited liability partnership, or other legal entity shall furnish proof within 45 days that a transfer meets the requirements of this subdivision. A corporation, partnership, limited liability company, limited liability partnership, or other legal entity that fails to comply with a request by the state tax commission under this subdivision is subject to a fine of $200.00.

(m) A direct or indirect transfer of real property or other ownership interests resulting from a transaction that qualifies as a tax-free reorganization under section 368 of the internal revenue code of 1986. Upon request by the state tax commission, a property owner shall furnish proof within 45 days that a transfer meets the requirements

of this subdivision. A property owner who fails to comply with a request by the state tax commission under this subdivision is subject to a fine of $200.00.

(n) A transfer of qualified agricultural property, if the person to whom the qualified agricultural property is transferred files an affidavit with the assessor of the local tax collecting unit in which the qualified agricultural property is located and with the register of deeds for the county in which the qualified agricultural property is located attesting that the qualified agricultural property shall remain qualified agricultural property. The affidavit under this subdivision shall be in a form prescribed by the department of treasury. An owner of qualified agricultural property shall inform a prospective buyer of that qualified agricultural property that the qualified agricultural property is subject to the recapture tax provided in the agricultural property recapture act, 2000 PA 261, MCL 211.1001 to 211.1007, if the qualified agricultural property is converted by a change in use. If property ceases to be qualified agricultural property at any time after being transferred, all of the following shall occur:

(*i*) The taxable value of that property shall be adjusted under subsection (3) as of the December 31 in the year that the property ceases to be qualified agricultural property.

(*ii*) The property is subject to the recapture tax provided for under the agricultural property recapture act, 2000 PA 261, MCL 211.1001 to 211.1007.

(8) If all of the following conditions are satisfied, the local tax collecting unit shall revise the taxable value of qualified agricultural property taxable on the tax roll in the possession of that local tax collecting unit to the taxable value that qualified agricultural property would have had if there had been no transfer of ownership of that qualified agricultural property since December 31, 1999 and there had been no adjustment of that qualified agricultural property's taxable value under subsection (3) since December 31, 1999:

(a) The qualified agricultural property was qualified agricultural property for taxes levied in 1999 and each year after 1999.

(b) The owner of the qualified agricultural property files an affidavit with the assessor of the local tax collecting unit under subsection (7)(n).

(9) If the taxable value of qualified agricultural property is adjusted under subsection (8), the owner of that qualified agricultural property shall not be entitled to a refund for any property taxes collected under this act on that qualified agricultural property before the adjustment under subsection (8).

(10) The register of deeds of the county where deeds or other title documents are recorded shall notify the assessing officer of the appropriate local taxing unit not less than once each month of any recorded transaction involving the ownership of property and shall make any recorded deeds or other title documents available to that county's tax or equalization department. Unless notification is provided under subsection (6), the buyer, grantee, or other transferee of the property shall notify the appropriate assessing office in the local unit of government in which the property is located of the transfer of ownership of the property within 45 days of the transfer of ownership, on a form prescribed by the state tax commission that states the parties to the transfer, the date of the transfer, the actual consideration for the transfer, and the property's parcel identification number or legal description. Forms filed in the assessing office of a local unit of government under this subsection shall be made available to the county tax or equalization department for the county in which that local unit of government is located. This subsection does not apply to personal property except buildings described in section 14(6) and personal property described in section 8(h), (i), and (j).

(11) As used in this section:

(a) "Additions" means that term as defined in section 34d.

(b) "Beneficial use" means the right to possession, use, and enjoyment of property, limited only by encumbrances, easements, and restrictions of record.

(c) "Converted by a change in use" means that term as defined in the agricultural property recapture act, 2000 PA 261, MCL 211.1001 to 211.1007.

(d) "Inflation rate" means that term as defined in section 34d.

(e) "Losses" means that term as defined in section 34d.

(f) "Qualified agricultural property" means that term as defined in section 7dd.

This act is ordered to take immediate effect.
Filed with Secretary of State May 23, 2005.

[No. 24]

(HB 4188)

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 51 (MCL 211.51), as amended by 1992 PA 97.

The People of the State of Michigan enact:

211.51 Failure of township treasurer to file bond with county treasurer; failure to appoint treasurer to give bond and deliver receipt; delivery of tax roll and warrant; collection and return of taxes; adding property tax administration fee, late penalty charge, and interest; return of excess amount; powers of county treasurer; persons eligible for deferment of summer property taxes; deferred taxes not subject to penalties or interest; filing and form of intent to defer; duties of treasurer; statement of taxes deferred; levy and collection of summer property taxes by local taxing unit; definitions.

Sec. 51. (1) If a township treasurer does not file his or her bond with the county treasurer as prescribed by law and the township board fails to appoint a treasurer to give the bond and deliver a receipt for the bond to the supervisor by December 10, the supervisor shall deliver the tax roll with the necessary warrant directed to the county

treasurer, who shall make the collection and return of taxes. The county treasurer, pursuant to the adoption of a resolution by the county board of commissioners, has the same powers and duties to add a property tax administration fee, a late penalty charge, and interest to all taxes collected as conferred upon a township treasurer under section 44. The excess of the amount of property tax administration fees over the expense to the county in collecting the taxes shall be returned to the township, and the remainder of the property tax administration fees and any late penalty charges imposed shall be credited to the county general fund. For the purpose of collecting the taxes, the county treasurer is vested with all the powers conferred upon the township treasurer and an action may be brought on the county treasurer's bond under the same circumstances as on those of a township treasurer.

(2) A local tax collecting unit that collects a summer property tax shall defer the collection of summer property taxes against the following property for which a deferment is claimed until the following February 15:

(a) The principal residence of a taxpayer who meets both of the following conditions:

(*i*) Meets 1 or more of the following conditions:

(A) Is a totally and permanently disabled person, blind person, paraplegic, quadriplegic, eligible serviceperson, eligible veteran, or eligible widow or widower, as these persons are defined in chapter 9 of the income tax act of 1967, 1967 PA 281, MCL 206.501 to 206.532.

(B) Is 62 years of age or older, including the unremarried surviving spouse of a person who was 62 years of age or older at the time of death.

(*ii*) For the prior taxable year had a total household income of the following:

(A) Before January 1, 2005, $25,000.00, or less.

(B) After December 31, 2004, $35,000.00, or less.

(b) Property classified or used as agricultural real property if the gross receipts of the agricultural or horticultural operations in the previous year or the average gross receipts of the operations in the previous 3 years are not less than the household income of the owner in the previous year.

(3) A taxpayer may claim a deferment provided by subsection (2) by filing with the treasurer of the local property tax collecting unit an intent to defer the summer property taxes that are due and payable in that year without penalty or interest. Taxes deferred under subsection (2) that are not paid by the following February 15 are not subject to penalties or interest for the period of deferment.

(4) The intent statement required by subsection (3) shall be on a form prescribed and provided by the department of treasury to the treasurer of the local property tax collecting unit.

(5) The treasurer of the local property tax collecting unit that collects a summer property tax shall do the following:

(a) Cause a notice of the availability of the deferment to be published in a newspaper of general circulation within the local property tax collecting unit or to be included as an insertion with the tax bill.

(b) Assist persons in completing the deferment form.

(6) If a local property tax collecting unit that collects a summer property tax also collects a winter property tax in the same year, a statement of the amount of taxes deferred pursuant to subsection (2) shall be in the December tax statement mailed by the local property tax collecting unit for each summer property tax payment that was

deferred from collection. If a local property tax collecting unit that collects a summer property tax does not collect a winter property tax in the same year, it shall mail a statement of the amount of taxes deferred under subsection (2) at the same time December tax statements are required to be mailed under section 44.

(7) Persons eligible for deferment of summer property taxes under subsection (2) may file their intent to defer until September 15 or the time the tax would otherwise become subject to interest or a late penalty charge for late payment, whichever is later.

(8) To the extent permitted by the revised school code of 1976, 1976 PA 451, MCL 380.1 to 380.1852, or the charter of a local property tax collecting unit, a local property tax collecting unit may provide for the levy and collection of summer property taxes. The terms and conditions of collection established by or under an agreement executed pursuant to the revised school code of 1976, 1976 PA 451, MCL 380.1 to 380.1852, or the charter of a local tax collecting unit govern a summer property tax levy.

(9) As used in this section:

(a) "Principal residence" means property exempt under section 7cc.

(b) "Summer property tax" means a levy of ad valorem property taxes that first becomes a lien before December 1 of any calendar year.

This act is ordered to take immediate effect.
Approved May 23, 2005.
Filed with Secretary of State May 23, 2005.

[No. 25]

(HB 4454)

AN ACT to amend 1962 PA 174, entitled "An act to enact the uniform commercial code, relating to certain commercial transactions in or regarding personal property and contracts and other documents concerning them, including sales, commercial paper, bank deposits and collections, letters of credit, bulk transfers, warehouse receipts, bills of lading, other documents of title, investment securities, leases, and secured transactions, including certain sales of accounts, chattel paper and contract rights; to provide for public notice to third parties in certain circumstances; to regulate procedure, evidence and damages in certain court actions involving such transactions, contracts or documents; to make uniform the law with respect thereto; to make an appropriation; to provide penalties; and to repeal certain acts and parts of acts," by amending section 9311 (MCL 440.9311), as amended by 2001 PA 145.

The People of the State of Michigan enact:

440.9311 Perfection of security interests in property subject to certain statutes, regulations, and treaties.

Sec. 9311. (1) Except as otherwise provided in subsection (4), the filing of a financing statement is not necessary or effective to perfect a security interest in property subject to 1 or more of the following:

(a) A statute, regulation, or treaty of the United States whose requirements for a security interest's obtaining priority over the rights of a lien creditor with respect to the property preempt section 9310(1).

(b) The following statutes of this state:

(*i*) Chapter II of the Michigan vehicle code, 1949 PA 300, MCL 257.201 to 257.259.

(*ii*) Part 803 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.80301 to 324.80322.

(*iii*) Part 811 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.81101 to 324.81150.

(*iv*) Sections 30 through 30i of the mobile home commission act, 1987 PA 96, MCL 125.2330 to 125.2330i.

(c) A certificate-of-title statute of another jurisdiction that provides for a security interest to be indicated on the certificate as a condition or result of the security interest's obtaining priority over the rights of a lien creditor with respect to the property.

(2) Compliance with the requirements of a statute, regulation, or treaty described in subsection (1) for obtaining priority over the rights of a lien creditor is equivalent to the filing of a financing statement under this article. Except as otherwise provided in subsection (4) and sections 9313 and 9316(4) and (5) for goods covered by a certificate of title, a security interest in property subject to a statute, regulation, or treaty described in subsection (1) may be perfected only by compliance with those requirements, and a security interest so perfected remains perfected notwithstanding a change in the use or transfer of possession of the collateral.

(3) Except as otherwise provided in subsection (4) and section 9316(4) and (5), duration and renewal of perfection of a security interest perfected by compliance with the requirements prescribed by a statute, regulation, or treaty described in subsection (1) are governed by the statute, regulation, or treaty. In other respects, the security interest is subject to this article.

(4) During any period in which collateral subject to a statute specified in subsection (1)(b) is inventory held for sale or lease by a person or leased by that person as lessor and that person is in the business of selling goods of that kind, this section does not apply to a security interest in that collateral created by that person.

This act is ordered to take immediate effect.
Approved May 23, 2005.
Filed with Secretary of State May 23, 2005.

[No. 26]

(HB 4272)

AN ACT to amend 1915 PA 63, entitled "An act to provide for the furnishing of suitable flag holders and United States flags for the graves of veterans who served in the armed forces of the United States for the marking and designation of the graves for memorial purposes; and to provide a penalty for the removal or destruction of the flag holders and United States flags when placed," by amending section 1 (MCL 35.831), as amended by 1988 PA 263.

The People of the State of Michigan enact:

35.831 Flag holders and United States flags for veterans' graves in cemetery belonging to city, village, or township; petition; expense; purpose.

Sec. 1. (1) The legislative body of a city, village, or township in this state, upon the petition of 5 eligible voters of the city, village, or township, shall procure for and furnish

to the petitioners, at the expense of the city, village, or township, a suitable flag holder and United States flag for the grave of each veteran who served in the armed forces of the United States and who is buried within the limits of a cemetery belonging to the city, village, or township.

(2) The legislative body of a city, village, or township in this state, upon petition of 5 eligible voters of the city, village, or township, may procure for and furnish to the petitioners, at the expense of the city, village, or township, a suitable flag holder and United States flag for the grave of each veteran who served in the armed forces of the United States and who is buried in any cemetery located within the limits of the city, village, or township that does not belong to that city, village, or township.

(3) A flag holder and United States flag shall be placed on the grave of a veteran for the purpose of marking and designating the grave for memorial purposes.

This act is ordered to take immediate effect.
Approved May 23, 2005.
Filed with Secretary of State May 23, 2005.

[No. 27]

(HB 4273)

AN ACT to amend 1915 PA 63, entitled "An act to provide for the furnishing of suitable flag holders and United States flags for the graves of veterans who served in the armed forces of the United States for the marking and designation of the graves for memorial purposes; and to provide a penalty for the removal or destruction of the flag holders and United States flags when placed," (MCL 35.831 to 35.833) by adding section 1a.

The People of the State of Michigan enact:

35.831a Flag holder and United States flag; procurement by county; expense.

Sec. 1a. (1) The legislative body of a county in this state, upon petition of 5 eligible voters of the county, may procure for and furnish to the petitioners, at the expense of the county, a suitable flag holder and United States flag for the grave of each veteran who served in the armed forces of the United States and who is buried in any cemetery located within the limits of the county that does not belong to that county.

(2) A flag holder and United States flag shall be placed on the grave of a veteran for the purpose of marking and designating the grave for memorial purposes.

This act is ordered to take immediate effect.
Approved May 23, 2005.
Filed with Secretary of State May 23, 2005.

[No. 28]

(SB 69)

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 1311g (MCL 380.1311g), as added by 1999 PA 23.

The People of the State of Michigan enact:

380.1311g Strict discipline academy; location; tuition; admission policies or practices; enrollment; types of students; special education; individuals committed to high-security or medium-security juvenile facility; residence requirements; age of pupils or grades.

Sec. 1311g. (1) A strict discipline academy may be located in all or part of an existing public school building. Except for a strict discipline academy that includes pupils who are the responsibility of a county juvenile agency, a strict discipline academy shall not operate at a site other than the single site requested for the configuration of grades that will use the site, as specified in the application required under section 1311d and in the contract.

(2) A strict discipline academy shall not charge tuition. Except as otherwise provided in subsection (5), a strict discipline academy shall not discriminate in its pupil admissions policies or practices on the basis of intellectual or athletic ability, measures of achievement or aptitude, status as a handicapped person, or any other basis that would be illegal if used by a school district. However, a strict discipline academy may limit admission to pupils who are within a particular range of age or grade level or on any other basis that would be legal if used by a school district.

(3) A strict discipline academy shall be established under sections 1311b to 1311*l* specifically for enrolling 1 or more of the following types of pupils:

(a) Pupils placed in the strict discipline academy by a court or by the department of human services or a county juvenile agency under the direction of a court.

(b) Pupils who have been expelled under section 1311(2).

(c) Pupils who have been expelled under section 1311a or another provision of this act.

(d) Other pupils who have been expelled from school, or pupils who have been suspended from school for a suspension that is for a period in excess of 10 school days, and who are referred to the strict discipline academy by that pupil's school and placed in the strict discipline academy by the pupil's parent or legal guardian. However, a suspended pupil shall be allowed to attend the strict discipline academy only for the duration of the suspension.

(4) In addition to the types of pupils specified in subsection (3), a strict discipline public school academy shall be open for enrollment of a special education pupil who does not meet the requirements of subsection (3) if the special education pupil's individualized education program team recommends that the special education pupil be placed in the strict discipline public school academy. As used in this subsection, "individualized education program team" means that term as defined in section 614 of part B of title VI of the individuals with disabilities education act, 20 USC 1414.

(5) A strict discipline academy shall enroll only 1 or more of the types of pupils described in subsection (3) or (4). A strict discipline academy is not required to keep any group of pupils described in subsection (3) or (4) physically separated from another group of those pupils, as might otherwise be required under section 1311, section 1311a, or another provision of this act.

(6) Strict discipline academies are not intended to enroll or otherwise be used to educate individuals who are committed to a high-security or medium-security juvenile facility operated by the department of human services or another state department or agency. Further, if the department of human services, department of corrections, or another state department or agency has custody of or jurisdiction over a child, that state department or agency has the financial responsibility for educating the child.

(7) Except for a foreign exchange student who is not a United States citizen, a strict discipline academy shall not enroll a pupil who is not a resident of this state. Enrollment in the strict discipline academy may be open to all individuals who reside in this state who meet the admission policy under subsections (3) and (4) and shall be open to all pupils who reside within the geographic boundaries, if any, of the authorizing body as described in section 1311d who meet the admission policy under subsections (3) and (4), except that admission to a strict discipline academy authorized by the board of a community college to operate, or operated by the board of a community college, on the grounds of a federal military installation, as described in section 1311d, shall be open to all pupils who reside in the county in which the federal military installation is located who meet the admission policy under subsections (3) and (4). For a strict discipline academy authorized by a state public university, enrollment shall be open to all pupils who reside in this state who meet the admission policy under subsections (3) and (4). If there are more applications to enroll in the strict discipline academy than there are spaces available, pupils shall be selected to attend using a random selection process. However, a strict discipline academy may give enrollment priority to a sibling of a pupil enrolled in the strict discipline academy. Except for a suspended pupil who is attending the strict discipline academy for the duration of the suspension, a strict discipline academy shall allow any pupil who was enrolled in the strict discipline academy in the immediately preceding school year to enroll in the strict discipline academy in the appropriate grade unless the appropriate grade is not offered at that strict discipline academy.

(8) A strict discipline academy may include any grade up to grade 12 or any configuration of those grades, including kindergarten and early childhood education, as specified in its contract. The authorizing body may approve amendment of a contract with respect to ages of pupils or grades offered.

This act is ordered to take immediate effect.
Approved May 23, 2005.
Filed with Secretary of State May 23, 2005.

[No. 29]

(HB 4482)

AN ACT to amend 1980 PA 450, entitled "An act to prevent urban deterioration and encourage economic development and activity and to encourage neighborhood revitalization and historic preservation; to provide for the establishment of tax increment finance

authorities and to prescribe their powers and duties; to authorize the acquisition and disposal of interests in real and personal property; to provide for the creation and implementation of development plans; to provide for the creation of a board to govern an authority and to prescribe its powers and duties; to permit the issuance of bonds and other evidences of indebtedness by an authority; to permit the use of tax increment financing; to reimburse authorities for certain losses of tax increment revenues; and to prescribe the powers and duties of certain state agencies and officers," by amending section 1 (MCL 125.1801), as amended by 1998 PA 499.

The People of the State of Michigan enact:

125.1801 Definitions.

Sec. 1. As used in this act:

(a) "Advance" means a transfer of funds made by a municipality to an authority or to another person on behalf of the authority. Evidence of the intent to repay an advance is required and may include, but is not limited to, an executed agreement to repay, provisions contained in a tax increment financing plan approved before the advance or before August 14, 1993, or a resolution of the authority or the municipality.

(b) "Assessed value" means 1 of the following:

(*i*) For valuations made before January 1, 1995, the state equalized valuation as determined under the general property tax act, 1893 PA 206, MCL 211.1 to 211.157.

(*ii*) For valuations made after December 31, 1994, taxable value as determined under section 27a of the general property tax act, 1893 PA 206, MCL 211.27a.

(c) "Authority" means a tax increment finance authority created under this act.

(d) "Authority district" means that area within which an authority exercises its powers and within which 1 or more development areas may exist.

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

(f) "Captured assessed value" means the amount in any 1 year by which the current assessed value of the development area, including the assessed value of property for which specific local taxes are paid in lieu of property taxes as determined in subdivision (w), exceeds the initial assessed value. The state tax commission shall prescribe the method for calculating captured assessed value.

(g) "Chief executive officer" means the mayor or city manager of a city, the president of a village, or the supervisor of a township.

(h) "Development area" means that area to which a development plan is applicable.

(i) "Development area citizens council" or "council" means that advisory body established pursuant to section 20.

(j) "Development plan" means that information and those requirements for a development set forth in section 16.

(k) "Development program" means the implementation of the development plan.

(*l*) "Eligible advance" means an advance made before August 19, 1993.

(m) "Eligible obligation" means an obligation issued or incurred by an authority or by a municipality on behalf of an authority before August 19, 1993 and its subsequent refunding by a qualified refunding obligation. Eligible obligation includes an authority's written agreement entered into before August 19, 1993 to pay an obligation issued after August 18, 1993 and before December 31, 1996 by another entity on behalf of the authority. Eligible obligation also includes an ongoing management contract or contract for professional services or development services that was entered into by the authority or a municipality on behalf of the authority in 1991, and related similar written agreements executed before 1984, if the 1991 agreement both provides for automatic annual renewal

and incorporates by reference the prior related agreements; however, receipt by an authority of tax increment revenues authorized under subdivision (aa)(*ii*) in order to pay costs arising under those contracts shall be limited to:

(*i*) For taxes levied before July 1, 2005, the amount permitted to be received by an authority for an eligible obligation as provided in this act.

(*ii*) For taxes levied after June 30, 2005 and before July 1, 2006, $3,000,000.00.

(*iii*) For taxes levied after June 30, 2006 and before July 1, 2007, $3,000,000.00.

(*iv*) For taxes levied after June 30, 2007 and before July 1, 2008, $3,000,000.00.

(*v*) For taxes levied after June 30, 2008 and before July 1, 2009, $3,000,000.00.

(*vi*) For taxes levied after June 30, 2009 and before July 1, 2010, $3,000,000.00.

(*vii*) For taxes levied after June 30, 2010 and before July 1, 2011, $2,650,000.00.

(*viii*) For taxes levied after June 30, 2011 and before July 1, 2012, $2,400,000.00.

(*ix*) For taxes levied after June 30, 2012 and before July 1, 2013, $2,125,000.00.

(*x*) For taxes levied after June 30, 2013 and before July 1, 2014, $1,500,000.00.

(*xi*) For taxes levied after June 30, 2014 and before July 1, 2015, $1,150,000.00.

(*xii*) For taxes levied after June 30, 2015, $0.00.

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

(o) "Governing body" means the elected body of a municipality having legislative powers.

(p) "Initial assessed value" means the assessed value, as equalized, of all the taxable property within the boundaries of the development area at the time the resolution establishing the tax increment financing plan is approved as shown by the most recent assessment roll of the municipality for which equalization has been completed at the time the resolution is adopted. Property exempt from taxation at the time of the determination of the initial assessed value shall be included as zero. For the purpose of determining initial assessed value, property for which a specific local tax is paid in lieu of a property tax shall not be considered property that is exempt from taxation. The initial assessed value of property for which a specific tax was paid in lieu of a property tax shall be determined as provided in subdivision (w).

(q) "Municipality" means a city.

(r) "Obligation" means a written promise to pay, whether evidenced by a contract, agreement, lease, sublease, bond, or note, or a requirement to pay imposed by law. An obligation does not include a payment required solely because of default upon an obligation, employee salaries, or consideration paid for the use of municipal offices. An obligation does not include those bonds that have been economically defeased by refunding bonds issued under this act. Obligation includes, but is not limited to, the following:

(*i*) A requirement to pay proceeds derived from ad valorem property taxes or taxes levied in lieu of ad valorem property taxes.

(*ii*) A management contract or a contract for professional services.

(*iii*) A payment required on a contract, agreement, bond, or note if the requirement to make or assume the payment arose before August 19, 1993.

(*iv*) A requirement to pay or reimburse a person for the cost of insurance for, or to maintain, property subject to a lease, land contract, purchase agreement, or other agreement.

(*v*) A letter of credit, paying agent, transfer agent, bond registrar, or trustee fee associated with a contract, agreement, bond, or note.

(s) "On behalf of an authority", in relation to an eligible advance made by a municipality, or an eligible obligation or other protected obligation issued or incurred by a municipality, means in anticipation that an authority would transfer tax increment revenues or reimburse the municipality from tax increment revenues in an amount sufficient to fully make payment required by the eligible advance made by a municipality, or the eligible obligation or other protected obligation issued or incurred by the municipality, if the anticipation of the transfer or receipt of tax increment revenues from the authority is pursuant to or evidenced by 1 or more of the following:

(*i*) A reimbursement agreement between the municipality and an authority it established.

(*ii*) A requirement imposed by law that the authority transfer tax increment revenues to the municipality.

(*iii*) A resolution of the authority agreeing to make payments to the incorporating unit.

(*iv*) Provisions in a tax increment financing plan describing the project for which the obligation was incurred.

(t) "Other protected obligation" means:

(*i*) A qualified refunding obligation issued to refund an obligation described in subparagraph (*ii*) or (*iii*), an obligation that is not a qualified refunding obligation that is issued to refund an eligible obligation, or a qualified refunding obligation issued to refund an obligation described in this subparagraph.

(*ii*) An obligation issued or incurred by an authority or by a municipality on behalf of an authority after August 19, 1993, but before December 31, 1994, to finance a project described in a tax increment finance plan approved by the municipality in accordance with this act before December 31, 1993, for which a contract for final design is entered into by the municipality or authority before March 1, 1994.

(*iii*) An obligation incurred by an authority or municipality after August 19, 1993, to reimburse a party to a development agreement entered into by a municipality or authority before August 19, 1993, for a project described in a tax increment financing plan approved in accordance with this act before August 19, 1993, and undertaken and installed by that party in accordance with the development agreement.

(*iv*) An obligation issued or incurred by an authority or by a municipality on behalf of an authority to implement a project described in a tax increment finance plan approved by the municipality in accordance with this act before August 19, 1993, that is located on land owned by a public university on the date the tax increment financing plan is approved, and for which a contract for final design is entered into before December 31, 1993.

(*v*) An ongoing management or professional services contract with the governing body of a county which was entered into before March 1, 1994 and which was preceded by a series of limited term management or professional services contracts with the governing body of the county, the last of which was entered into before August 19, 1993.

(*vi*) An obligation issued or incurred by a municipality under a contract executed on December 19, 1994 as subsequently amended between the municipality and the authority to implement a project described in a tax increment finance plan approved by the municipality under this act before August 19, 1993 for which a contract for final design was entered into by the municipality before March 1, 1994 provided that final payment by the municipality is made on or before December 31, 2001.

(*vii*) An obligation issued or incurred by an authority or by a municipality on behalf of an authority that meets all of the following qualifications:

(A) The obligation is issued or incurred to finance a project described in a tax increment financing plan approved before August 19, 1993 by a municipality in accordance with this act.

(B) The obligation qualifies as an other protected obligation under subparagraph (*ii*) and was issued or incurred by the authority before December 31, 1994 for the purpose of financing the project.

(C) A portion of the obligation issued or incurred by the authority before December 31, 1994 for the purpose of financing the project was retired prior to December 31, 1996.

(D) The obligation does not exceed the dollar amount of the portion of the obligation retired prior to December 31, 1996.

(u) "Public facility" means 1 or more of the following:

(*i*) A street, plaza, or pedestrian mall, and any improvements to a street, plaza, boulevard, alley, or pedestrian mall, including street furniture and beautification, park, parking facility, recreation facility, playground, school, library, public institution or administration building, right of way, structure, waterway, bridge, lake, pond, canal, utility line or pipeline, and other similar facilities and necessary easements of these facilities designed and dedicated to use by the public generally or used by a public agency. As used in this subparagraph, public institution or administration building includes, but is not limited to, a police station, fire station, court building, or other public safety facility.

(*ii*) The acquisition and disposal of real and personal property or interests in real and personal property, demolition of structures, site preparation, relocation costs, building rehabilitation, and all associated administrative costs, including, but not limited to, architect's, engineer's, legal, and accounting fees as contained in the resolution establishing the district's development plan.

(*iii*) An improvement to a facility used by the public or a public facility as those terms are defined in section 1 of 1966 PA 1, MCL 125.1351, which improvement is made to comply with the barrier free design requirements of the state construction code promulgated under the Stille-DeRossett-Hale single state construction code act, 1972 PA 230, MCL 125.1501 to 125.1531.

(v) "Qualified refunding obligation" means an obligation issued or incurred by an authority or by a municipality on behalf of an authority to refund an obligation if the refunding obligation meets both of the following:

(*i*) The net present value of the principal and interest to be paid on the refunding obligation, including the cost of issuance, will be less than the net present value of the principal and interest to be paid on the obligation being refunded, as calculated using a method approved by the department of treasury.

(*ii*) The net present value of the sum of the tax increment revenues described in subdivision (aa)(*ii*) and the distributions under section 12a to repay the refunding obligation will not be greater than the net present value of the sum of the tax increment revenues described in subdivision (aa)(*ii*) and the distributions under section 12a to repay the obligation being refunded, as calculated using a method approved by the department of treasury.

(w) "Specific local tax" 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 technology park development act, 1984 PA 385, MCL 207.701 to 207.718, and 1953 PA 189, MCL 211.181 to 211.182. The initial assessed value or current assessed value of property subject to a specific local tax shall be the quotient of the specific local tax paid divided by the ad valorem millage rate. However, after 1993, the state tax commission shall prescribe the method for calculating the initial assessed value and current assessed value of property for which a specific local tax was paid in lieu of a property tax.

(x) "State fiscal year" means the annual period commencing October 1 of each year.

(y) "Tax increment district" or "district" means that area to which the tax increment finance plan pertains.

(z) "Tax increment financing plan" means that information and those requirements set forth in sections 13 to 15.

(aa) "Tax increment revenues" means the amount of ad valorem property taxes and specific local taxes attributable to the application of the levy of all taxing jurisdictions upon the captured assessed value of real and personal property in the development area, subject to the following requirements:

(*i*) Tax increment revenues include ad valorem property taxes and specific local taxes attributable to the application of the levy of all taxing jurisdictions other than the state pursuant to the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, and local or intermediate school districts upon the captured assessed value of real and personal property in the development area for any purpose authorized by this act.

(*ii*) Tax increment revenues include ad valorem property taxes and specific local taxes attributable to the application of the levy of the state pursuant to the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, and local or intermediate school districts upon the captured assessed value of real and personal property in the development area in an amount equal to the amount necessary, without regard to subparagraph (*i*), to repay eligible advances, eligible obligations, and other protected obligations.

(*iii*) Tax increment revenues do not include any of the following:

(A) Ad valorem property taxes attributable either to a portion of the captured assessed value shared with taxing jurisdictions within the jurisdictional area of the authority or to a portion of value of property that may be excluded from captured assessed value or specific local taxes attributable to such ad valorem property taxes.

(B) Ad valorem property taxes excluded by the tax increment financing plan of the authority from the determination of the amount of tax increment revenues to be transmitted to the authority or specific local taxes attributable to such ad valorem property taxes.

(*iv*) The amount of tax increment revenues authorized to be included under subparagraph (*ii*), and required to be transmitted to the authority under section 14(1), from ad valorem property taxes and specific local taxes attributable to the application of the levy of the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, a local school district or an intermediate school district upon the captured assessed value of real and personal property in a development area shall be determined separately for the levy by the state, each school district, and each intermediate school district as the product of sub-subparagraphs (A) and (B):

(A) The percentage which the total ad valorem taxes and specific local taxes available for distribution by law to the state, local school district, or intermediate school district, respectively, bear to the aggregate amount of ad valorem millage taxes and specific taxes available for distribution by law to the state, each local school district, and each intermediate school district.

(B) The maximum amount of ad valorem property taxes and specific local taxes considered tax increment revenues under subparagraph (*ii*).

This act is ordered to take immediate effect.
Approved May 23, 2005.
Filed with Secretary of State May 25, 2005.

[No. 30]

(HB 4225)

AN ACT to amend 1977 PA 89, entitled "An act to provide for the establishment of cooperative libraries; to prescribe the powers and duties of the department of history, arts, and libraries; to provide state aid for public libraries participating in cooperative libraries; to prescribe the powers and duties of cooperative library boards; to provide an appropriation; and to repeal acts and parts of acts," by amending section 6 (MCL 397.556), as amended by 2001 PA 65.

The People of the State of Michigan enact:

397.556 Areas included in cooperative library.

Sec. 6. A cooperative library shall include those areas consisting of 1 of the following:

(a) Two or more counties with a total population of at least 100,000.

(b) One county plus portions of other counties with a population of at least 100,000.

(c) One county or portion of the county with a population of at least 400,000.

(d) Portions of 2 or more counties with a population of at least 350,000.

(e) Combinations of counties or portions of counties serving a population of at least 50,000, if the region served has a population of 35 or fewer persons per square mile.

(f) The area covered by a cooperative library shall recognize the geosocioeconomic conditions within that area and regions established for governmental purposes throughout the state. A local board placed in a cooperative library shall have the option to petition the department to be placed in a different cooperative library or to join with other local boards to form a cooperative library under this act. A local board serving an area adjoining more than 1 cooperative library shall have the option to determine the cooperative library in which it participates.

(g) The system board of an existing library system serving over 750,000 population may petition the department for designation as a cooperative board, and the department shall designate that system board, as already constituted, as the cooperative board. If a cooperative board is a county library board, the cooperative plan shall provide for expanding the cooperative board to represent proportionately the population served in any other county or counties within the area of the cooperative library. This expanded cooperative board shall have authority over those matters affecting the operation of the cooperative library except for the property, personnel, and governmental relationships of the county whose board was designated as the cooperative board, which matters shall continue to be the responsibility of that county library board. The department shall include in the cooperative library serving over 750,000 population the communities presently served by the existing system and all other communities not in another cooperative library within counties represented by members on the expanded cooperative board other than the designated system board members.

This act is ordered to take immediate effect.
Approved May 23, 2005.
Filed with Secretary of State May 25, 2005.

[No. 31]

(HB 4142)

AN ACT to amend 1970 PA 38, entitled "An act to provide for assessment and remedial assistance programs of students in reading, mathematics and vocational education," by amending section 2 (MCL 388.1082).

The People of the State of Michigan enact:

388.1082 Assessment program; coverage; conduct; requirements; results.

Sec. 2. (1) The statewide assessment program of educational progress shall cover all students annually in at least 2 elementary and middle school grade levels in public schools. If the federal government requires assessments at additional grade levels under the no child left behind act of 2001, Public Law 107-110, the superintendent of public instruction shall ensure that this state complies with those requirements.

(2) The superintendent of public instruction shall develop and conduct the assessment program and may utilize the assistance of appropriate testing organizations or testing specialists. Beginning with assessments conducted in the 2005-2006 school year, all of the following apply to the assessment program:

(a) The superintendent of public instruction shall ensure that any contractor used for scoring an assessment instrument supplies an individual report for each student that will identify for the student's parents and teachers whether the student met expectations or failed to meet expectations for each standard, to allow the student's parents and teachers to assess and remedy problems before the student moves to the next grade.

(b) The superintendent of public instruction shall ensure that any contractor used for scoring, developing, or processing an assessment instrument meets quality management standards commonly used in the assessment industry, including at least meeting level 2 of the capability maturity model developed by the software engineering institute of Carnegie Mellon university for the 2005-2006 school year assessments and at least meeting level 3 of the capability maturity model for subsequent assessments.

(c) The superintendent of public instruction shall ensure that any contract it enters into for scoring, administering, or developing an assessment instrument includes specific deadlines for all steps of the assessment process, including, but not limited to, deadlines for the correct testing materials to be supplied to schools and for the correct results to be returned to schools, and includes penalties for noncompliance with these deadlines.

(d) The superintendent of public instruction shall ensure that the assessment instruments meet all of the following:

(*i*) Are designed to test students on grade level content expectations in all subjects tested for each grade level tested.

(*ii*) Comply with requirements of the no child left behind act of 2001, Public Law 107-110.

(*iii*) Are consistent with the code of fair testing practices in education prepared by the joint committee on testing practices of the American psychological association.

(*iv*) Are factually accurate. If the superintendent of public instruction determines that a question is not factually accurate and should be removed from an assessment instrument, the state board and the superintendent shall ensure that the question is removed from the assessment instrument.

(3) The program shall assess competencies in the basic skills and collect and utilize other relevant information essential to the assessment program.

(4) Based on information from the program, the public schools shall identify students who have extraordinary need for assistance to improve their competence in the basic skills and shall identify students who have demonstrated extraordinary competence in multiple subject areas who should be recommended for advancement.

(5) Information from the program shall be given to each school as soon as possible to assist it in its efforts to improve the achievement of students in the basic skills.

This act is ordered to take immediate effect.
Approved June 2, 2005.
Filed with Secretary of State June 2, 2005.

[No. 32]

(HB 4603)

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 section 3109 (MCL 324.3109).

The People of the State of Michigan enact:

324.3109 Discharge into state waters; prohibitions; violation; penalties; abatement.

Sec. 3109. (1) A person shall not directly or indirectly discharge into the waters of the state a substance that is or may become injurious to any of the following:

(a) To the public health, safety, or welfare.

(b) To domestic, commercial, industrial, agricultural, recreational, or other uses that are being made or may be made of such waters.

(c) To the value or utility of riparian lands.

(d) To livestock, wild animals, birds, fish, aquatic life, or plants or to their growth or propagation.

(e) To the value of fish and game.

(2) The discharge of any raw sewage of human origin, directly or indirectly, into any of the waters of the state shall be considered prima facie evidence of a violation of this part by the municipality in which the discharge originated unless the discharge is permitted by an order or rule of the department. If the discharge is not the subject of a valid permit issued by the department, a municipality responsible for the discharge may be subject to the remedies provided in section 3115. If the discharge is the subject of a valid permit issued by the department pursuant to section 3112, and is in violation of that permit, a municipality responsible for the discharge is subject to the penalties prescribed in section 3115.

(3) Unless authorized by a permit, order, or rule of the department, the discharge into the waters of this state of any medical waste, as defined in part 138 of the public health code, 1978 PA 368, MCL 333.13801 to 333.13831, is prima facie evidence of a violation of this part and subjects the responsible person to the penalties prescribed in section 3115.

(4) Unless a discharge is authorized by a permit, order, or rule of the department, the discharge into the waters of this state from an oceangoing vessel of any ballast water is prima facie evidence of a violation of this part and subjects the responsible person to the penalties prescribed in section 3115.

(5) A violation of this section is prima facie evidence of the existence of a public nuisance and in addition to the remedies provided for in this part may be abated according to law in an action brought by the attorney general in a court of competent jurisdiction.

Effective date.

Enacting section 1. This amendatory act takes effect January 1, 2007.

Conditional effective date.

Enacting section 2. This amendatory act does not take effect unless Senate Bill No. 332 of the 93rd Legislature is enacted into law.

This act is ordered to take immediate effect.
Approved June 2, 2005.
Filed with Secretary of State June 6, 2005.

Compiler's note: Senate Bill No. 332, referred to in enacting section 2, was filed with the Secretary of State June 6, 2005, and became 2005 PA 33, Imd. Eff. June 6, 2005.

[No. 33]

(SB 332)

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 3103, 3104, and 3112 (MCL 324.3103, 324.3104, and 324.3112), sections 3103 and 3112 as amended by 2004 PA 91 and section 3104 as amended by 2004 PA 325.

The People of the State of Michigan enact:

324.3103 Department of environmental quality; powers and duties generally; rules; other actions.

Sec. 3103. (1) The department shall protect and conserve the water resources of the state and shall have control of the pollution of surface or underground waters of the state and the Great Lakes, which are or may be affected by waste disposal of any person. The department may make or cause to be made surveys, studies, and investigations of the uses of waters of the state, both surface and underground, and cooperate with other govern-

ments and governmental units and agencies in making the surveys, studies, and investigations. The department shall assist in an advisory capacity a flood control district that may be authorized by the legislature. The department, in the public interest, shall appear and present evidence, reports, and other testimony during the hearings involving the creation and organization of flood control districts. The department shall advise and consult with the legislature on the obligation of the state to participate in the costs of construction and maintenance as provided for in the official plans of a flood control district or intercounty drainage district.

(2) The department shall enforce this part and may promulgate rules as it considers necessary to carry out its duties under this part. However, notwithstanding any rule-promulgation authority that is provided in this part, except for rules authorized under section 3112(6), the department shall not promulgate any additional rules under this part after December 31, 2006.

(3) The department may promulgate rules and take other actions as may be necessary to comply with the federal water pollution control act, 33 USC 1251 to 1387, and to expend funds available under such law for extension or improvement of the state or interstate program for prevention and control of water pollution. This part shall not be construed as authorizing the department to expend or to incur any obligation to expend any state funds for such purpose in excess of any amount that is appropriated by the legislature.

(4) Notwithstanding the limitations on rule promulgation under subsection (2), rules promulgated under this part before January 1, 2007 shall remain in effect unless rescinded.

324.3104 Cooperation and negotiation with other governments as to water resources; alteration of watercourses; federal assistance; formation of Great Lakes aquatic nuisance species coalition; report; requests for appropriations; recommendations; permit to alter floodplain; application; fees; disposition of fees; other acts subject to single highest permit fee.

Sec. 3104. (1) The department is designated the state agency to cooperate and negotiate with other governments, governmental units, and governmental agencies in matters concerning the water resources of the state, including, but not limited to, flood control, beach erosion control, water quality control planning, development, and management, and the control of aquatic nuisance species. The department shall have control over the alterations of natural or present watercourses of all rivers and streams in the state to assure that the channels and the portions of the floodplains that are the floodways are not inhabited and are kept free and clear of interference or obstruction that will cause any undue restriction of the capacity of the floodway. The department may take steps as may be necessary to take advantage of any act of congress that may be of assistance in carrying out the purposes of this part, including the water resources planning act, 42 USC 1962 to 1962d-3, and the federal water pollution control act, 33 USC 1251 to 1387.

(2) In order to address discharges of aquatic nuisance species from oceangoing vessels that damage water quality, aquatic habitat, or fish or wildlife, the department shall facilitate the formation of a Great Lakes aquatic nuisance species coalition. The Great Lakes aquatic nuisance species coalition shall be formed through an agreement entered into with other states in the Great Lakes basin to implement on a basin-wide basis water pollution laws that prohibit the discharge of aquatic nuisance species into the Great Lakes from oceangoing vessels. The department shall seek to enter into an agreement that will become effective not later than January 1, 2007. The department shall consult with the department of natural resources prior to entering into this agreement. Upon entering into the agreement, the department shall notify the Canadian Great Lakes provinces of the

terms of the agreement. The department shall seek funding from the Great Lakes protection fund authorized under part 331 to implement the Great Lakes aquatic nuisance species coalition.

(3) The department shall report to the governor and to the legislature at least annually on any plans or projects being implemented or considered for implementation. The report shall include requests for any legislation needed to implement any proposed projects or agreements made necessary as a result of a plan or project, together with any requests for appropriations. The department may make recommendations to the governor on the designation of areawide water quality planning regions and organizations relative to the governor's responsibilities under the federal water pollution control act, 33 USC 1251 to 1387.

(4) A person shall not alter a floodplain except as authorized by a floodplain permit issued by the department pursuant to part 13. An application for a permit shall include information that may be required by the department to assess the proposed alteration's impact on the floodplain. If an alteration includes activities at multiple locations in a floodplain, 1 application may be filed for combined activities.

(5) Except as provided in subsections (6), (7), and (9), until October 1, 2008, an application for a floodplain permit shall be accompanied by a fee of $500.00. Until October 1, 2008, if the department determines that engineering computations are required to assess the impact of a proposed floodplain alteration on flood stage or discharge characteristics, the department shall assess the applicant an additional $1,500.00 to cover the department's cost of review.

(6) Until October 1, 2008, an application for a floodplain permit for a minor project category shall be accompanied by a fee of $100.00. Minor project categories shall be established by rule and shall include activities and projects that are similar in nature and have minimal potential for causing harmful interference.

(7) If work has been done in violation of a permit requirement under this part and restoration is not ordered by the department, the department may accept an application for a permit for that work if the application is accompanied by a fee equal to 2 times the permit fee required under subsection (5) or (6).

(8) The department shall forward fees collected under this section to the state treasurer for deposit in the land and water management permit fee fund created in section 30113.

(9) A project that requires review and approval under this part and 1 or more of the following is subject to only the single highest permit fee required under this part or the following:

(a) Part 301.

(b) Part 303.

(c) Part 323.

(d) Part 325.

(e) Section 117 of the land division act, 1967 PA 288, MCL 560.117.

324.3112 Permit to discharge waste into state waters; application determined as complete; condition of validity; modification, suspension, or revocation of permit; reissuance; application for new permit; notice; order; complaint; petition; contested case hearing; rejection of petition; oceangoing vessels engaging in port operations; permit required.

Sec. 3112. (1) A person shall not discharge any waste or waste effluent into the waters of this state unless the person is in possession of a valid permit from the department.

(2) An application for a permit under subsection (1) shall be submitted to the department. Within 30 days after an application for a new or increased use is received, the department shall determine whether the application is administratively complete. Within 90 days after an application for reissuance of a permit is received, the department shall determine whether the application is administratively complete. If the department determines that an application is not complete, the department shall notify the applicant in writing within the applicable time period. If the department does not make a determination as to whether the application is complete within the applicable time period, the application shall be considered to be complete.

(3) The department shall condition the continued validity of a permit upon the permittee's meeting the effluent requirements that the department considers necessary to prevent unlawful pollution by the dates that the department considers to be reasonable and necessary and to assure compliance with applicable federal law and regulations. If the department finds that the terms of a permit have been, are being, or may be violated, it may modify, suspend, or revoke the permit or grant the permittee a reasonable period of time in which to comply with the permit. The department may reissue a revoked permit upon a showing satisfactory to the department that the permittee has corrected the violation. A person who has had a permit revoked may apply for a new permit.

(4) If the department determines that a person is causing or is about to cause unlawful pollution of the waters of this state, the department may notify the alleged offender of its determination and enter an order requiring the person to abate the pollution or refer the matter to the attorney general for legal action, or both.

(5) A person who is aggrieved by an order of abatement of the department or by the reissuance, modification, suspension, or revocation of an existing permit of the department executed pursuant to this section may file a sworn petition with the department setting forth the grounds and reasons for the complaint and asking for a contested case hearing on the matter pursuant to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328. A petition filed more than 60 days after action on the order or permit may be rejected by the department as being untimely.

(6) Beginning January 1, 2007, all oceangoing vessels engaging in port operations in this state shall obtain a permit from the department. The department shall issue a permit for an oceangoing vessel only if the applicant can demonstrate that the oceangoing vessel will not discharge aquatic nuisance species or if the oceangoing vessel discharges ballast water or other waste or waste effluent, that the operator of the vessel will utilize environmentally sound technology and methods, as determined by the department, that can be used to prevent the discharge of aquatic nuisance species. The department shall cooperate to the fullest extent practical with other Great Lakes basin states, the Canadian Great Lakes provinces, the Great Lakes panel on aquatic nuisance species, the Great Lakes fishery commission, the international joint commission, and the Great Lakes commission to ensure development of standards for the control of aquatic nuisance species that are broadly protective of the waters of the state and other natural resources. Permit fees for permits under this subsection shall be assessed as provided in section 3120. The permit fees for an individual permit issued under this subsection shall be the fees specified in section 3120(1)(a) and (5)(a). The permit fees for a general permit issued under this subsection shall be the fees specified in section 3120(1)(c) and (5)(b)(*i*). Permits under this subsection shall be issued in accordance with the timelines provided in section 3120. The department may promulgate rules to implement this subsection.

Conditional effective date.

Enacting section 1. This amendatory act does not take effect unless House Bill No. 4603 of the 93rd Legislature is enacted into law.

This act is ordered to take immediate effect.
Approved June 2, 2005.
Filed with Secretary of State June 6, 2005.

Compiler's note: House Bill No. 4603, referred to in enacting section 1, was filed with the Secretary of State June 6, 2005, and became 2005 PA 32, Eff. Jan. 1, 2007.

[No. 34]

(HB 4008)

AN ACT to amend 1972 PA 251, entitled "An act to provide for the reciprocal exchange of educational services between this state and other states; to provide for reduced or waived tuition, and to designate the state agency for negotiating agreements," by amending sections 1, 2, 3, 4, and 5 (MCL 390.501, 390.502, 390.503, 390.504, and 390.505).

The People of the State of Michigan enact:

390.501 "Reciprocal agreement" defined.

Sec. 1. As used in this act, "reciprocal agreement" means a contractual arrangement permitting resident students of a designated state to be admitted to a public institution of higher education in another state at an agreed tuition rate less than normally charged nonresident students of that state. The term includes a contractual arrangement that renews or extends an existing reciprocal agreement.

390.502 Department of labor and economic growth reciprocal agreements; authorization.

Sec. 2. The department of labor and economic growth is the state agency to enter into reciprocal agreements with public educational agencies in other states.

390.503 Reciprocal agreement; contents.

Sec. 3. (1) Notwithstanding any provision of law to the contrary, a reciprocal agreement may include provisions for the reduction or waiver of nonresident tuition and fees for residents of the states of Wisconsin, Illinois, Indiana, and Ohio and the Province of Ontario admitted to designated public institutions of higher education in this state and for the designation of categories of students to be admitted to specific educational programs or courses of study.

(2) A reciprocal agreement shall not contain a provision establishing an indefinite term for the agreement or establishing a fixed term of more than 3 years. If a reciprocal agreement provides for renewal or extension of the agreement, that provision shall not provide for automatic renewal or extension, establish an indefinite term for a renewal or extension, or establish a fixed term of more than 3 years for any renewal or extension. The tuition rate for a student attending a community or junior college in this state under a reciprocal agreement is the rate for in-state, out-of-district students.

390.504 Approval of reciprocal agreements; validity.

Sec. 4. A reciprocal agreement, or a renewal or extension of a reciprocal agreement, entered into by the department of labor and economic growth is not valid until approved by the appropriations committees of the house of representatives and the senate.

390.505 Reciprocal agreements; review.

Sec. 5. The department of labor and economic growth shall annually review all reciprocal agreements to determine the fiscal effects and to correct any imbalances if necessary.

This act is ordered to take immediate effect.
Approved June 7, 2005.
Filed with Secretary of State June 7, 2005.

[No. 35]

(HB 4528)

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 24 of chapter VII (MCL 767.24), as amended by 2004 PA 458.

The People of the State of Michigan enact:

CHAPTER VII

767.24 Indictments; finding and filing; limitations.

Sec. 24. (1) An indictment for murder, conspiracy to commit murder, solicitation to commit murder, criminal sexual conduct in the first degree, or a violation of the Michigan anti-terrorism act, chapter LXXXIII-A of the Michigan penal code, 1931 PA 328, MCL

750.543a to 750.543z, or a violation of chapter XXXIII of the Michigan penal code, 1931 PA 328, MCL 750.200 to 750.212a, that is punishable by life imprisonment may be found and filed at any time.

(2) An indictment for a violation or attempted violation of section 145c, 520c, 520d, 520e, or 520g of the Michigan penal code, 1931 PA 328, MCL 750.145c, 750.520c, 750.520d, 750.520e, and 750.520g, may be found and filed as follows:

(a) Except as otherwise provided in subdivision (b), an indictment may be found and filed within 10 years after the offense is committed or by the alleged victim's twenty-first birthday, whichever is later.

(b) If evidence of the violation is obtained and that evidence contains DNA that is determined to be from an unidentified individual, an indictment against that individual for the violation may be found and filed at any time after the offense is committed. However, after the individual is identified, the indictment may be found and filed within 10 years after the individual is identified or by the alleged victim's twenty-first birthday, whichever is later.

(c) As used in this subsection:

(*i*) "DNA" means human deoxyribonucleic acid.

(*ii*) "Identified" means the individual's legal name is known and he or she has been determined to be the source of the DNA.

(3) An indictment for kidnapping, extortion, assault with intent to commit murder, attempted murder, manslaughter, or first-degree home invasion may be found and filed within 10 years after the offense is committed.

(4) An indictment for identity theft or attempted identity theft may be found and filed as follows:

(a) Except as otherwise provided in subdivision (b), an indictment may be found and filed within 6 years after the offense is committed.

(b) If evidence of the violation is obtained and the individual who committed the offense has not been identified, an indictment may be found and filed at any time after the offense is committed, but not more than 6 years after the individual is identified.

(c) As used in this subsection:

(*i*) "Identified" means the individual's legal name is known.

(*ii*) "Identity theft" means 1 or more of the following:

(A) Conduct prohibited in section 5 or 7 of the identity theft protection act, 2004 PA 452, MCL 445.65 and 445.67.

(B) Conduct prohibited under former section 285 of the Michigan penal code, 1931 PA 328.

(5) All other indictments may be found and filed within 6 years after the offense is committed.

(6) Any period during which the party charged did not usually and publicly reside within this state is not part of the time within which the respective indictments may be found and filed.

(7) The extension or tolling, as applicable, of the limitations period provided in this section applies to any of those violations for which the limitations period has not expired at the time the extension or tolling takes effect.

This act is ordered to take immediate effect.
Approved June 7, 2005.
Filed with Secretary of State June 7, 2005.

[No. 36]

(HB 4450)

AN ACT to amend 1949 PA 300, entitled "An act to provide for the registration, titling, sale, transfer, and regulation of certain vehicles operated upon the public highways of this state or any other place open to the general public or generally accessible to motor vehicles and distressed vehicles; to provide for the licensing of dealers; to provide for the examination, licensing, and control of operators and chauffeurs; to provide for the giving of proof of financial responsibility and security by owners and operators of vehicles; to provide for the imposition, levy, and collection of specific taxes on vehicles, and the levy and collection of sales and use taxes, license fees, and permit fees; to provide for the regulation and use of streets and highways; to create certain funds; to provide penalties and sanctions for a violation of this act; to provide for civil liability of owners and operators of vehicles and service of process on residents and nonresidents; to provide for the levy of certain assessments; to provide for the enforcement of this act; to provide for the creation of and to prescribe the powers and duties of certain state and local agencies; to impose liability upon the state or local agencies; to provide appropriations for certain purposes; to repeal all other acts or parts of acts inconsistent with this act or contrary to this act; and to repeal certain parts of this act on a specific date," by amending section 217 (MCL 257.217), as amended by 2002 PA 652.

The People of the State of Michigan enact:

257.217 Application for registration and certificate of title; out-of-state vehicle; form; fee; signature of owner; contents; leased pickup truck or vehicle; duties of dealer and person selling or leasing certain vehicles; off lease or buy back vehicle; temporary registration; copy of security agreement; service fee; imprint on back side of check or bank draft; liability for damages; perfection of security interest.

Sec. 217. (1) An owner of a vehicle that is subject to registration under this act shall apply to the secretary of state, upon an appropriate form furnished by the secretary of state, for the registration of the vehicle and issuance of a certificate of title for the vehicle. A vehicle brought into this state from another state or jurisdiction that has a rebuilt, salvage, scrap, flood, or comparable certificate of title issued by that other state or jurisdiction shall be issued a rebuilt, salvage, scrap, or flood certificate of title by the secretary of state. The application shall be accompanied by the required fee. An application for a certificate of title shall bear the signature or verification and certification of the owner. The application shall contain all of the following:

(a) The owner's name, the owner's bona fide residence, and either of the following:

(*i*) If the owner is an individual, the owner's mailing address.

(*ii*) If the owner is a firm, association, partnership, limited liability company, or corporation, the owner's business address.

(b) A description of the vehicle including the make or name, style of body, and model year; the number of miles, not including the tenths of a mile, registered on the vehicle's odometer at the time of transfer; whether the vehicle is a flood vehicle or another state previously issued the vehicle a flood certificate of title; whether the vehicle is to be or has been used as a taxi or police vehicle, or by a political subdivision of this state, unless the vehicle is owned by a dealer and loaned or leased to a political subdivision of this state for use as a driver education vehicle; whether the vehicle has previously been issued a salvage

or rebuilt certificate of title from this state or a comparable certificate of title from any other state or jurisdiction; vehicle identification number; and the vehicle's weight fully equipped, if a passenger vehicle registered in accordance with section 801(1)(a), and, if a trailer coach or pickup camper, in addition to the weight, the manufacturer's serial number, or in the absence of the serial number, a number assigned by the secretary of state. A number assigned by the secretary of state shall be permanently placed on the trailer coach or pickup camper in the manner and place designated by the secretary of state.

(c) A statement of the applicant's title and the names and addresses of the holders of security interests in the vehicle and in an accessory to the vehicle, in the order of their priority.

(d) Further information that the secretary of state reasonably requires to enable the secretary of state to determine whether the vehicle is lawfully entitled to registration and the owner entitled to a certificate of title. If the secretary of state is not satisfied as to the ownership of a late model vehicle or other vehicle having a value over $2,500.00, before registering the vehicle and issuing a certificate of title, the secretary of state may require the applicant to file a properly executed surety bond in a form prescribed by the secretary of state and executed by the applicant and a company authorized to conduct a surety business in this state. The bond shall be in an amount equal to twice the value of the vehicle as determined by the secretary of state and shall be conditioned to indemnify or reimburse the secretary of state, any prior owner, and any subsequent purchaser or lessee of the vehicle and their successors in interest against any expense, loss, or damage, including reasonable attorney's fees, by reason of the issuance of a certificate of title for the vehicle or on account of any defect in the right, title, or interest of the applicant in the vehicle. An interested person has a right of action to recover on the bond for a breach of the conditions of the bond, but the aggregate liability of the surety to all persons shall not exceed the amount of the bond. The bond shall be returned at the end of 3 years, or before 3 years if the vehicle is no longer registered in this state and the currently valid certificate of title is surrendered to the secretary of state, unless the secretary of state has received notification of the pendency of an action to recover on the bond. If the secretary of state is not satisfied as to the ownership of a vehicle that is valued at $2,500.00 or less and that is not a late model vehicle, the secretary of state shall require the applicant to certify that the applicant is the owner of the vehicle and entitled to register and title the vehicle.

(e) Except as provided in subdivision (f), an application for a commercial vehicle shall also have attached a scale weight receipt of the motor vehicle fully equipped as of the time the application is made. A scale weight receipt is not necessary if there is presented with the application a registration receipt of the previous year that shows on its face the empty weight of the motor vehicle as registered with the secretary of state that is accompanied by a statement of the applicant that there has not been structural change in the motor vehicle that has increased the empty weight and that the previous registered weight is the true weight.

(f) An application for registration of a vehicle on the basis of elected gross weight shall include a declaration by the applicant specifying the elected gross weight for which application is being made.

(g) If the application is for a certificate of title of a motor vehicle registered in accordance with section 801(1)(p), the application shall include the manufacturer's suggested base list price for the model year of the vehicle. Annually, the secretary of state shall publish a list of the manufacturer's suggested base list price for each vehicle being manufactured. Once a base list price is published by the secretary of state for a model year for a vehicle, the base list price shall not be affected by subsequent increases in the manufacturer's suggested base list price but shall remain the same throughout the model year unless

changed in the annual list published by the secretary of state. If the secretary of state's list has not been published for that vehicle by the time of the application for registration, the base list price shall be the manufacturer's suggested retail price as shown on the label required to be affixed to the vehicle under 15 USC 1232. If the manufacturer's suggested retail price is unavailable, the application shall list the purchase price of the vehicle as defined in section 801.

(2) An applicant for registration of a leased pickup truck or passenger vehicle that is subject to registration under this act, except a vehicle that is subject to a registration fee under section 801g, shall disclose in writing to the secretary of state the lessee's name, the lessee's bona fide residence, and either of the following:

(a) If the lessee is an individual, the lessee's Michigan driver license number or Michigan personal identification number or, if the lessee does not have a Michigan driver license or Michigan personal identification number, the lessee's mailing address.

(b) If the lessee is a firm, association, partnership, limited liability company, or corporation, the lessee's business address.

(3) The secretary of state shall maintain the information described in subsection (2) on the secretary of state's computer records.

(4) Except as provided in subsection (5), a dealer selling, leasing, or exchanging vehicles required to be titled, within 15 days after delivering a vehicle to the purchaser or lessee, and a person engaged in the sale of vessels required to be numbered by part 801 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.80101 to 324.80199, within 15 days after delivering a boat trailer weighing less than 2,500 pounds to the purchaser or lessee, shall apply to the secretary of state for a new title, if required, and transfer or secure registration plates and secure a certificate of registration for the vehicle or boat trailer, in the name of the purchaser or lessee. The dealer's license may be suspended or revoked in accordance with section 249 for failure to apply for a title when required or for failure to transfer or secure registration plates and certificate of registration within the 15 days required by this section. If the dealer or person fails to apply for a title when required, and to transfer or secure registration plates and secure a certificate of registration and pay the required fees within 15 days of delivery of the vehicle or boat trailer, a title and registration for the vehicle or boat trailer may subsequently be acquired only upon the payment of a transfer fee of $15.00 in addition to the fees specified in section 806. The purchaser or lessee of the vehicle or the purchaser of the boat trailer shall sign the application, including, when applicable, the declaration specifying the maximum elected gross weight, as required by subsection (1)(f), and other necessary papers to enable the dealer or person to secure the title, registration plates, and transfers from the secretary of state. If the secretary of state mails or delivers a purchaser's certificate of title to a dealer, the dealer shall mail or deliver the certificate of title to the purchaser not more than 5 days after receiving the certificate of title from the secretary of state.

(5) A dealer selling or exchanging an off lease or buy back vehicle shall apply to the secretary of state for a new title for the vehicle within 15 days after it receives the certificate of title from the lessor or manufacturer under section 235 and transfer or secure registration plates and secure a certificate of registration for the vehicle in the name of the purchaser. The dealer's license may be suspended or revoked in accordance with section 249 for failure to apply for a title when required or for failure to transfer or secure registration plates and certificate of registration within the 15-day period. If the dealer or person fails to apply for a title when required, and to transfer or secure registration plates and secure a certificate of registration and pay the required fees within the 15-day time

period, a title and registration for the vehicle may subsequently be acquired only upon the payment of a transfer fee of $15.00 in addition to the fees specified in section 806. The purchaser of the vehicle shall sign the application, including, when applicable, the declaration specifying the maximum elected gross weight, as required by subsection (1)(f), and other necessary papers to enable the dealer or person to secure the title, registration plates, and transfers from the secretary of state. If the secretary of state mails or delivers a purchaser's certificate of title to a dealer, the dealer shall mail or deliver the certificate of title to the purchaser not more than 5 days after receiving the certificate of title from the secretary of state.

(6) If a vehicle is delivered to a purchaser or lessee who has valid Michigan registration plates that are to be transferred to the vehicle, and an application for title, if required, and registration for the vehicle is not made before delivery of the vehicle to the purchaser or lessee, the registration plates shall be affixed to the vehicle immediately, and the dealer shall provide the purchaser or lessee with an instrument in writing, on a form prescribed by the secretary of state, which shall serve as a temporary registration for the vehicle for a period of 15 days from the date the vehicle is delivered.

(7) An application for a certificate of title that indicates the existence of a security interest in the vehicle or in an accessory to the vehicle, if requested by the security interest holder, shall be accompanied by a copy of the security agreement which need not be signed. The request may be made of the seller on an annual basis. The secretary of state shall indicate on the copy the date and place of filing of the application and return the copy to the person submitting the application who shall forward it to the holder of the security interest named in the application.

(8) If the seller does not prepare the credit information, contract note, and mortgage, and the holder, finance company, credit union, or banking institution requires the installment seller to record the lien on the title, the holder, finance company, credit union, or banking institution shall pay the seller a service fee of not more than $10.00. The service fee shall be paid from the finance charges and shall not be charged to the buyer in addition to the finance charges. The holder, finance company, credit union, or banking institution shall issue its check or bank draft for the principal amount financed, payable jointly to the buyer and seller, and there shall be imprinted on the back side of the check or bank draft the following:

"Under Michigan law, the seller must record a first lien in favor of (name of lender) _____ on the vehicle with vehicle identification number _____ and title the vehicle only in the name(s) shown on the reverse side." On the front of the sales check or draft, the holder, finance company, credit union, or banking institution shall note the name(s) of the prospective owner(s). Failure of the holder, finance company, credit union, or banking institution to comply with these requirements frees the seller from any obligation to record the lien or from any liability that may arise as a result of the failure to record the lien. A service fee shall not be charged to the buyer.

(9) In the absence of actual malice proved independently and not inferred from lack of probable cause, a person who in any manner causes a prosecution for larceny of a motor vehicle; for embezzlement of a motor vehicle; for any crime an element of which is the taking of a motor vehicle without authority; or for buying, receiving, possessing, leasing, or aiding in the concealment of a stolen, embezzled, or converted motor vehicle knowing that the motor vehicle has been stolen, embezzled, or converted, is not liable for damages in a civil action for causing the prosecution. This subsection does not relieve a person from proving any other element necessary to sustain his or her cause of action.

(10) Receipt by the secretary of state of a properly tendered application for a certificate of title on which a security interest in a vehicle is to be indicated is a condition of perfection of a security interest in the vehicle and is equivalent to filing a financing statement under the uniform commercial code, 1962 PA 174, MCL 440.1101 to 440.11102, with respect to the vehicle. When a security interest in a vehicle is perfected, it has priority over the rights of a lien creditor as lien creditor is defined in section 9102 of the uniform commercial code, 1962 PA 174, MCL 440.9102.

This act is ordered to take immediate effect.
Approved June 7, 2005.
Filed with Secretary of State June 7, 2005.

[No. 37]

(HB 4451)

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 section 80320 (MCL 324.80320), as added by 1995 PA 58.

The People of the State of Michigan enact:

324.80320 Secured interest in watercraft; notation; discharge; perfection.

Sec. 80320. (1) A party with a secured interest in a watercraft, upon presentation of a properly completed application for certificate of title to the secretary of state, together with the fee prescribed by section 80311, may have a notation of the security interest made on the face of the certificate of title to be issued by the secretary of state. The secretary of state shall enter the notation and the date and shall note the security interest and the date in his or her files.

(2) When the security interest is discharged, the holder shall note the discharge on the certificate of title over his or her signature.

(3) Receipt by the secretary of state of a properly tendered application for a certificate of title on which a security interest in a watercraft is to be indicated is a condition of perfection of a security interest in the watercraft and is equivalent to filing a financing statement under the uniform commercial code, 1962 PA 174, MCL 440.1101 to 440.11102, with respect to the watercraft. When a security interest in a watercraft is perfected, it has priority over the rights of a lien creditor as lien creditor is defined in section 9102 of the uniform commercial code, 1962 PA 174, MCL 440.9102.

This act is ordered to take immediate effect.
Approved June 7, 2005.
Filed with Secretary of State June 7, 2005.

[No. 38]

(HB 4452)

AN ACT to amend 1987 PA 96, entitled "An act to create a mobile home commission; to prescribe its powers and duties and those of local governments; to provide for a mobile home code and the licensure, regulation, construction, operation, and management of mobile home parks, the licensure and regulation of retail sales dealers, warranties of mobile homes, and service practices of dealers; to provide for the titling of mobile homes; to prescribe the powers and duties of certain agencies and departments; to provide remedies and penalties; to declare the act to be remedial; to repeal this act on a specific date; and to repeal certain acts and parts of acts," by amending section 30d (MCL 125.2330d).

The People of the State of Michigan enact:

125.2330d Creation of security interest in mobile home; assignment of security interest; assignee named as holder of security interest; perfection of security interest; termination statement; issuance of new certificate.

Sec. 30d. (1) All of the following apply if an owner named in a certificate of title creates a security interest in the mobile home described in the certificate:

(a) The owner shall immediately execute an application in the form prescribed by the department showing the name and address of the holder of the security interest and deliver the certificate of title, the application, and a copy of the application which need not be signed, to the holder of the security interest.

(b) The holder of the security interest shall cause the certificate of title, the application, the required fee, and the copy of the application to be mailed or delivered to the department.

(c) The department shall indicate on the copy of the application the date and place of filing of the application and return the copy to the person presenting it.

(d) Upon receipt of the certificate of title, application, and the required fee, the department shall issue a new certificate in the form provided in section 30b, setting forth the name and address of each holder of a security interest in the mobile home for which a termination statement has not been filed and the date on which the application first stating the security interest was filed, and mail the certificate to the owner.

(2) A holder of a security interest may assign, absolutely or otherwise, the security interest to a person other than the owner without affecting the interest of the owner or the validity of the security interest, but a person without notice of the assignment is protected in dealing with the holder of the security interest as the holder of the security interest. The assignee may have its interest as the holder of the security interest shown on the certificate of title by providing the department with a copy of the assignment instrument but the failure of the assignee to do so does not affect the validity of the security interest or the assignment of the security interest.

(3) Receipt by the department of a properly tendered application for a certificate of title on which a security interest in a mobile home is to be indicated, whether the application is tendered under this act, is a condition of perfection of a security interest in the mobile home and is equivalent to filing a financing statement under the uniform commercial code, 1962 PA 174, MCL 440.1101 to 440.11102, with respect to the mobile home. When a security interest in a mobile home is perfected, it has priority over the rights of a lien creditor, as defined in section 9102 of the uniform commercial code, 1962 PA 174, MCL 440.9102.

(4) If there is not an outstanding obligation or commitment to make advances, incur obligations, or otherwise give value, secured or to be secured by a security interest in a mobile home, the secured party shall, within 30 days after satisfaction of the obligation, execute a termination statement in the form prescribed by the department and mail or deliver the termination statement to the owner or other person as the owner may direct. An owner who is not a dealer holding the mobile home for resale shall promptly cause the certificate, all termination statements, and an application for certificate of title to be mailed or delivered to the department. The department shall issue a new certificate.

This act is ordered to take immediate effect.
Approved June 7, 2005.
Filed with Secretary of State June 7, 2005.

[No. 39]

(HB 4453)

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 section 81108 (MCL 324.81108), as added by 1995 PA 58.

The People of the State of Michigan enact:

324.81108 Application for ORV certificate of title; form; contents; security agreement; perfection of security interest.

Sec. 81108. (1) An application for an ORV certificate of title shall be on a form prescribed by the department of state. The application shall be certified by the owner or purchaser and shall contain, in addition to other information required by the department of state, the following information:

(a) The applicant's name and address.

(b) A statement of any security interest or other liens on the ORV, along with the name and address of any lienholder.

(c) If a lien is not outstanding, a statement of that fact.

(d) A description of the ORV, including the year, make, model or series, and vehicle identification number.

(2) An application for an ORV certificate of title that indicates the existence of a security interest in the ORV shall, if requested by the security interest holder, be accompanied by a copy of the security agreement, which may be unsigned. The department of state shall indicate on the copy the date and place of filing and shall return the copy to the person who filed the application. The filer shall forward the copy to the security interest holder identified in the application.

(3) Receipt by the secretary of state of a properly tendered application for an ORV certificate of title that indicates the existence of a security interest in the ORV is a condition of perfection of a security interest in the ORV and is equivalent to filing a financing statement under the uniform commercial code, 1962 PA 174, MCL 440.1101 to 440.11102, with respect to the ORV. When a security interest in an ORV is perfected, it has priority over the rights of a lien creditor as lien creditor is defined in section 9102 of the uniform commercial code, 1962 PA 174, MCL 440.9102.

This act is ordered to take immediate effect.
Approved June 7, 2005.
Filed with Secretary of State June 7, 2005.

[No. 40]

(HB 4677)

AN ACT to amend 2001 PA 142, entitled "An act to consolidate prior acts naming certain Michigan highways; to provide for the naming of certain highways; to prescribe certain duties of the state transportation department; and to repeal acts and parts of acts and certain resolutions," (MCL 250.1001 to 250.2080) by adding section 87.

The People of the State of Michigan enact:

250.1087 "Holocaust Memorial Highway."

Sec. 87. The part of highway M-10 located in Oakland county, beginning at the intersection of M-10 and I-696 and continuing northwest to the intersection of M-10 and Orchard Lake road, shall be known as the "Holocaust Memorial Highway".

This act is ordered to take immediate effect.
Approved June 7, 2005.
Filed with Secretary of State June 7, 2005.

[No. 41]

(SB 77)

AN ACT to amend 1979 PA 94, entitled "An act to make appropriations to aid in the support of the public schools and the intermediate school districts of the state; to make appropriations for certain other purposes relating to education; to provide for the disbursement of the appropriations; to supplement the school aid fund by the levy and collection of certain taxes; to authorize the issuance of certain bonds and provide for the security of those bonds; to prescribe the powers and duties of certain state departments, the state board of education, and certain other boards and officials; to create certain funds and provide for their expenditure; to prescribe penalties; and to repeal acts and parts of acts," by amending section 101 (MCL 388.1701), as amended by 2004 PA 351.

The People of the State of Michigan enact:

388.1701 Eligibility to receive state aid; filing certified and sworn copy of enrollment; failure to file; withholding state aid; falsification; minimum hours of pupil instruction; forfeiture; certification; strikes or teachers' conferences; rules; hours not counted as pupil instruction; alternative scheduling program; certification of planned number of hours of pupil instruction; conditions requiring forfeiture; waiver for alternative education program; counting qualifying professional development as pupil instruction.

Sec. 101. (1) To be eligible to receive state aid under this act, not later than the fifth Wednesday after the pupil membership count day and not later than the fifth Wednesday after the supplemental count day, each district superintendent through the secretary of the district's board shall file with the intermediate superintendent a certified and sworn copy of the number of pupils enrolled and in regular daily attendance in the district as of the pupil membership count day and as of the supplemental count day, as applicable, for the current school year. In addition, a district maintaining school during the entire year, as provided under section 1561 of the revised school code, MCL 380.1561, shall file with the intermediate superintendent a certified and sworn copy of the number of pupils enrolled and in regular daily attendance in the district for the current school year pursuant to rules promulgated by the superintendent. Not later than the seventh Wednesday after the pupil membership count day and not later than the seventh Wednesday after the supplemental count day, the intermediate district shall transmit to the center revised data, as applicable, for each of its constituent districts. If a district fails to file the sworn and certified copy with the intermediate superintendent in a timely manner, as required under this subsection, the intermediate district shall notify the department and state aid due to be distributed under this act shall be withheld from the defaulting district immediately, beginning with the next payment after the failure and continuing with each payment until the district complies with this subsection. If an intermediate district fails to transmit the data in its possession in a timely and accurate manner to the center, as required under this subsection, state aid due to be distributed under this act shall be withheld from the defaulting intermediate district immediately, beginning with the next payment after the failure and continuing with each payment until the intermediate district complies with this subsection. If a district or intermediate district does not comply with this subsection by the end of the fiscal year, the district or intermediate district forfeits the amount withheld. A person who willfully falsifies a figure or statement in the certified and sworn copy of enrollment shall be punished in the manner prescribed by section 161.

(2) To be eligible to receive state aid under this act, not later than the twenty-fourth Wednesday after the pupil membership count day and not later than the twenty-fourth Wednesday after the supplemental count day, an intermediate district shall submit to the center, in a form and manner prescribed by the center, the audited enrollment and attendance data for the pupils of its constituent districts and of the intermediate district. If an intermediate district fails to transmit the audited data as required under this subsection, state aid due to be distributed under this act shall be withheld from the defaulting intermediate district immediately, beginning with the next payment after the failure and continuing with each payment until the intermediate district complies with this subsection. If an intermediate district does not comply with this subsection by the end of the fiscal year, the intermediate district forfeits the amount withheld.

(3) Except as otherwise provided in this section, each district shall provide at least 1,098 hours of pupil instruction. Except as otherwise provided in this act, a district failing

to comply with the required minimum hours of pupil instruction under this subsection shall forfeit from its total state aid allocation an amount determined by applying a ratio of the number of hours the district was in noncompliance in relation to the required minimum number of hours under this subsection. Not later than August 1, the board of each district shall certify to the department the number of hours of pupil instruction in the previous school year. If the district did not provide at least the required minimum number of hours of pupil instruction under this subsection, the deduction of state aid shall be made in the following fiscal year from the first payment of state school aid. A district is not subject to forfeiture of funds under this subsection for a fiscal year in which a forfeiture was already imposed under subsection (6). Hours lost because of strikes or teachers' conferences shall not be counted as days or hours of pupil instruction. A district not having at least 75% of the district's membership in attendance on any day of pupil instruction shall receive state aid in that proportion of 1/180 that the actual percent of attendance bears to the specified percentage. The superintendent shall promulgate rules for the implementation of this subsection.

(4) Except as otherwise provided in this subsection, the first 30 hours for which pupil instruction is not provided because of conditions not within the control of school authorities, such as severe storms, fires, epidemics, utility power unavailability, water or sewer failure, or health conditions as defined by the city, county, or state health authorities, shall be counted as hours of pupil instruction. Beginning in 2003-2004, with the approval of the superintendent of public instruction, the department shall count as hours of pupil instruction for a fiscal year not more than 30 additional hours for which pupil instruction is not provided in a district after April 1 of the applicable school year due to unusual and extenuating occurrences resulting from conditions not within the control of school authorities such as those conditions described in this subsection. Subsequent such hours shall not be counted as hours of pupil instruction.

(5) A district shall not forfeit part of its state aid appropriation because it adopts or has in existence an alternative scheduling program for pupils in kindergarten if the program provides at least the number of hours required under subsection (3) for a full-time equated membership for a pupil in kindergarten as provided under section 6(4).

(6) Not later than April 15 of each fiscal year, the board of each district shall certify to the department the planned number of hours of pupil instruction in the district for the school year ending in the fiscal year. In addition to any other penalty or forfeiture under this section, if at any time the department determines that 1 or more of the following has occurred in a district, the district shall forfeit in the current fiscal year beginning in the next payment to be calculated by the department a proportion of the funds due to the district under this act that is equal to the proportion below the required minimum number of hours of pupil instruction under subsection (3), as specified in the following:

(a) The district fails to operate its schools for at least the required minimum number of hours of pupil instruction under subsection (3) in a school year, including hours counted under subsection (4).

(b) The board of the district takes formal action not to operate its schools for at least the required minimum number of hours of pupil instruction under subsection (3) in a school year, including hours counted under subsection (4).

(7) In providing the minimum number of hours of pupil instruction required under subsection (3), a district shall use the following guidelines, and a district shall maintain records to substantiate its compliance with the following guidelines:

(a) Except as otherwise provided in this subsection, a pupil must be scheduled for at least the required minimum number of hours of instruction, excluding study halls, or at

least the sum of 90 hours plus the required minimum number of hours of instruction, including up to 2 study halls.

(b) The time a pupil is assigned to any tutorial activity in a block schedule may be considered instructional time, unless that time is determined in an audit to be a study hall period.

(c) Except as otherwise provided in this subdivision, a pupil in grades 9 to 12 for whom a reduced schedule is determined to be in the individual pupil's best educational interest must be scheduled for a number of hours equal to at least 80% of the required minimum number of hours of pupil instruction to be considered a full-time equivalent pupil. A pupil in grades 9 to 12 who is scheduled in a 4-block schedule may receive a reduced schedule under this subsection if the pupil is scheduled for a number of hours equal to at least 75% of the required minimum number of hours of pupil instruction to be considered a full-time equivalent pupil.

(d) If a pupil in grades 9 to 12 who is enrolled in a cooperative education program or a special education pupil cannot receive the required minimum number of hours of pupil instruction solely because of travel time between instructional sites during the school day, that travel time, up to a maximum of 3 hours per school week, shall be considered to be pupil instruction time for the purpose of determining whether the pupil is receiving the required minimum number of hours of pupil instruction. However, if a district demonstrates to the satisfaction of the department that the travel time limitation under this subdivision would create undue costs or hardship to the district, the department may consider more travel time to be pupil instruction time for this purpose.

(e) In grades 7 through 12, instructional time that is part of a junior reserve officer training corps (JROTC) program shall be considered to be pupil instruction time regardless of whether the instructor is a certificated teacher if all of the following are met:

(*i*) The instructor has met all of the requirements established by the United States department of defense and the applicable branch of the armed services for serving as an instructor in the junior reserve officer training corps program.

(*ii*) The board of the district or intermediate district employing or assigning the instructor complies with the requirements of sections 1230 and 1230a of the revised school code, MCL 380.1230 and 380.1230a, with respect to the instructor to the same extent as if employing the instructor as a regular classroom teacher.

(8) The department shall apply the guidelines under subsection (7) in calculating the full-time equivalency of pupils.

(9) Upon application by the district for a particular fiscal year, the superintendent may waive for a district the minimum number of hours of pupil instruction requirement of subsection (3) for a department-approved alternative education program. If a district applies for and receives a waiver under this subsection and complies with the terms of the waiver, for the fiscal year covered by the waiver the district is not subject to forfeiture under this section for the specific program covered by the waiver.

(10) A district may count up to 51 hours of qualifying professional development for teachers, including the 5 hours of online professional development provided by the Michigan virtual university under section 98, as hours of pupil instruction. A district that elects to use this exception shall notify the department of its election. As used in this subsection, "qualifying professional development" means professional development that is focused on 1 or more of the following:

(a) Achieving or improving adequate yearly progress as defined under the no child left behind act of 2001, Public Law 107-110.

(b) Achieving accreditation or improving a school's accreditation status under section 1280 of the revised school code, MCL 380.1280.

(c) Achieving highly qualified teacher status as defined under the no child left behind act of 2001, Public Law 107-110.

(d) Maintaining teacher certification.

This act is ordered to take immediate effect.
Approved June 7, 2005.
Filed with Secretary of State June 7, 2005.

[No. 42]

(HB 4774)

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 section 20129a (MCL 324.20129a), as amended by 2004 PA 114.

The People of the State of Michigan enact:

324.20129a Exemption from liability; petition.

Sec. 20129a. (1) A person may petition the department within 6 months after completion of a baseline environmental assessment for a determination that that person meets the requirements for an exemption from liability under section 20126(1)(c) and, in conjunction with that exemption, a determination that the proposed use of the facility satisfies the person's obligations under section 20107a. This request may be made by a prospective purchaser or transferee prior to actual transfer of ownership or other interest to that person or by a lender prior to foreclosure. The request shall be submitted on a form provided by the department along with the fee provided in subsection (4). The person petitioning the department under this subsection shall attach to the petition all of the following:

(a) The baseline environmental assessment.

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

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

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

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

(a) Affirms that the criteria for obtaining the exemption have been met and affirms that the proposed use of the facility would satisfy the person's obligations under section 20107a

if the person complies with the plan for the proposed use of the facility submitted under subsection (1).

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

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

(4) Until June 5, 2007, a petition submitted under subsection (1) shall be accompanied by a fee of $750.00. The department shall deposit all fees collected under this section into the fund. The department shall annually submit a report to the legislature that details all of the following:

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

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

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

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

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

This act is ordered to take immediate effect.
Approved June 9, 2005.
Filed with Secretary of State June 9, 2005.

[No. 43]

(SB 195)

AN ACT to amend 1978 PA 368, entitled "An act to protect and promote the public health; to codify, revise, consolidate, classify, and add to the laws relating to public health; to provide for the prevention and control of diseases and disabilities; to provide for the classification, administration, regulation, financing, and maintenance of personal, environmental, and other health services and activities; to create or continue, and prescribe the powers and duties of, departments, boards, commissions, councils, committees, task forces, and other agencies; to prescribe the powers and duties of governmental entities and officials; to regulate occupations, facilities, and agencies affecting the public health; to regulate health maintenance organizations and certain third party administrators and insurers; to provide for the imposition of a regulatory fee; to provide for the levy of taxes against certain health facilities or agencies; to promote the efficient and economical

delivery of health care services, to provide for the appropriate utilization of health care facilities and services, and to provide for the closure of hospitals or consolidation of hospitals or services; to provide for the collection and use of data and information; to provide for the transfer of property; to provide certain immunity from liability; to regulate and prohibit the sale and offering for sale of drug paraphernalia under certain circumstances; to provide for the implementation of federal law; to provide for penalties and remedies; to provide for sanctions for violations of this act and local ordinances; to provide for an appropriation and supplements; to repeal certain acts and parts of acts; to repeal certain parts of this act; and to repeal certain parts of this act on specific dates," by amending sections 12411 and 12431 (MCL 333.12411 and 333.12431).

The People of the State of Michigan enact:

333.12411 License for operation of agricultural labor camp required; posting license or license placard; notice of construction, enlargement, or conversion; violation; fine.

Sec. 12411. (1) A person shall not operate an agricultural labor camp or cause to be operated or allow an agricultural labor camp to be occupied and used as an agricultural labor camp, without a license. The agricultural labor camp shall be operated only while the license remains in effect. The camp operator shall post the license or the license placard issued by the department in a conspicuous place in the agricultural labor camp to which it applies. The license or placard shall continue to remain posted during the entire time the agricultural labor camp is operated.

(2) A person shall not construct or alter for occupancy or use, an agricultural labor camp or any portion or facility thereof, or convert a property for use or occupancy as an agricultural labor camp, without giving written notice of the intent to do so to the department at least 30 days before the date of beginning the construction, enlargement, or conversion. The notice shall give the name of the city, village, or township in which the property is located, the location of the property within that area, a brief description of the proposed construction, enlargement, or conversion, the name and mailing address of the person giving the notice, and the person's telephone number, if any.

(3) A person is not in violation of subsection (1) if the sole reason the person is operating the agricultural labor camp without a license is due to the failure of the department to respond within a timely manner to an application submitted in accordance with section 12412.

(4) In addition to any other penalty provided under this part, a person who violates subsection (1) by operating an agricultural labor camp without a license is subject to an administrative civil fine of not more than $1,000.00. Each day a person operates without a license is a separate violation, however the total administrative civil fine for continued noncompliance shall not exceed $10,000.00. All fines collected under this subsection shall be credited to the migratory labor housing fund created under section 12431.

333.12431 Migratory labor housing fund; creation; appropriation; amount and basis of grant; prohibition; money in fund.

Sec. 12431. (1) A migratory labor housing fund is created and shall receive funds appropriated by the legislature and as provided under section 12411(4).

(2) An employer of migratory farm laborers may receive a grant from the fund of not more than 50% of the costs of an extensive remodeling which costs shall not exceed $10,000.00.

(3) A grant pursuant to subsection (2) may be made on the basis of a matching payment, grant, or other aid from a person or the federal government.

(4) A grant shall not be made if the remodeling does not meet the requirements of a law or rule.

(5) Money in the fund at the close of the fiscal year shall remain in the fund and shall not lapse to the general fund.

This act is ordered to take immediate effect.
Approved June 16, 2005.
Filed with Secretary of State June 16, 2005.

[No. 44]

(HB 4356)

AN ACT to amend 1961 PA 236, entitled "An act to revise and consolidate the statutes relating to the organization and jurisdiction of the courts of this state; the powers and duties of such courts, and of the judges and other officers thereof; the forms and attributes of civil claims and actions; the time within which civil actions and proceedings may be brought in said courts; pleading, evidence, practice and procedure in civil and criminal actions and proceedings in said courts; to provide remedies and penalties for the violation of certain provisions of this act; to repeal all acts and parts of acts inconsistent with or contravening any of the provisions of this act; and to repeal acts and parts of acts," by amending section 2919a (MCL 600.2919a).

The People of the State of Michigan enact:

600.2919a Recovery of damages, costs, and attorney's fees by person damaged; remedy cumulative.

Sec. 2919a. (1) A person damaged as a result of either or both of the following may recover 3 times the amount of actual damages sustained, plus costs and reasonable attorney fees:

(a) Another person's stealing or embezzling property or converting property to the other person's own use.

(b) Another person's buying, receiving, possessing, concealing, or aiding in the concealment of stolen, embezzled, or converted property when the person buying, receiving, possessing, concealing, or aiding in the concealment of stolen, embezzled, or converted property knew that the property was stolen, embezzled, or converted.

(2) The remedy provided by this section is in addition to any other right or remedy the person may have at law or otherwise.

Applicability of act.

Enacting section 1. This amendatory act applies to causes of action that arise after the effective date of this amendatory act.

This act is ordered to take immediate effect.
Approved June 16, 2005.
Filed with Secretary of State June 16, 2005.

[No. 45]

(HB 4602)

AN ACT to amend 1951 PA 51, entitled "An act to provide for the classification of all public roads, streets, and highways in this state, and for the revision of that classification and for additions to and deletions from each classification; to set up and establish the Michigan transportation fund; to provide for the deposits in the Michigan transportation fund of specific taxes on motor vehicles and motor vehicle fuels; to provide for the allocation of funds from the Michigan transportation fund and the use and administration of the fund for transportation purposes; to set up and establish the truck safety fund; to provide for the allocation of funds from the truck safety fund and administration of the fund for truck safety purposes; to set up and establish the Michigan truck safety commission; to establish certain standards for road contracts for certain businesses; to provide for the continuing review of transportation needs within the state; to authorize the state transportation commission, counties, cities, and villages to borrow money, issue bonds, and make pledges of funds for transportation purposes; to authorize counties to advance funds for the payment of deficiencies necessary for the payment of bonds issued under this act; to provide for the limitations, payment, retirement, and security of the bonds and pledges; to provide for appropriations and tax levies by counties and townships for county roads; to authorize contributions by townships for county roads; to provide for the establishment and administration of the state trunk line fund, local bridge fund, comprehensive transportation fund, and certain other funds; to provide for the deposits in the state trunk line fund, critical bridge fund, comprehensive transportation fund, and certain other funds of money raised by specific taxes and fees; to provide for definitions of public transportation functions and criteria; to define the purposes for which Michigan transportation funds may be allocated; to provide for Michigan transportation fund grants; to provide for review and approval of transportation programs; to provide for submission of annual legislative requests and reports; to provide for the establishment and functions of certain advisory entities; to provide for conditions for grants; to provide for the issuance of bonds and notes for transportation purposes; to provide for the powers and duties of certain state and local agencies and officials; to provide for the making of loans for transportation purposes by the state transportation department and for the receipt and repayment by local units and agencies of those loans from certain specified sources; and to repeal acts and parts of acts," by amending section 10c (MCL 247.660c), as amended by 2002 PA 498.

The People of the State of Michigan enact:

247.660c Definitions.

Sec. 10c. As used in this act:

(a) "Urban or rural area" means a contiguous developed area, including the immediate surrounding area, where transportation services should reasonably be provided presently or in the future; the area within the jurisdiction of an eligible authority; or for the purpose of receiving funds for public transportation, a contiguous developed area having a population of less than 50,000 population that has an urban public transportation program approved by the state transportation department and for which the state transportation commission determines that public transportation services should reasonably be provided presently or in the future.

(b) "Eligible authority" means an authority organized pursuant to the metropolitan transportation authorities act of 1967, 1967 PA 204, MCL 124.401 to 124.426.

(c) "Eligible governmental agency" means a county, city, or village or an authority created pursuant to 1963 PA 55, MCL 124.351 to 124.359; the urban cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512; 1967 (Ex Sess) PA 8, MCL 124.1 to 124.13; 1951 PA 35, MCL 124.1 to 124.13; the public transportation authority act, 1986 PA 196, MCL 124.451 to 124.479; or the revenue bond act of 1933, 1933 PA 94, MCL 141.101 to 141.140.

(d) "Transit vehicle" means a bus, rapid transit vehicle, railroad car, water vehicle, taxicab, or other type of public transportation vehicle or individual unit, whether operated singly or in a group which provides public transportation.

(e) "Transit vehicle mile" means a transit vehicle operated for 1 mile in public transportation service including demand actuated and line-haul vehicle miles.

(f) "Demand actuated vehicle" means a bus or smaller transit vehicle operated for providing group rides to members of the general public paying fares individually, and on demand rather than in regularly scheduled route service.

(g) "Demand actuated vehicle mile" means a demand actuated vehicle operated for 1 mile in service to the general public.

(h) "Public transportation", "comprehensive transportation", "public transportation service", "comprehensive transportation service", "public transportation purpose", or "comprehensive transportation purpose" means the movement of people and goods by publicly or privately owned water vehicle, bus, railroad car, aircraft, rapid transit vehicle, taxicab, or other conveyance which provides general or special service to the public, but not including charter or sightseeing service or transportation which is exclusively for school purposes. Public transportation, public transportation services, or public transportation purposes; and comprehensive transportation, comprehensive transportation services, or comprehensive transportation purposes as defined in this subdivision are declared by law to be transportation purposes within the meaning of section 9 of article IX of the state constitution of 1963.

(i) "State transportation commission" means the state transportation commission established in section 28 of article V of the state constitution of 1963.

(j) "Governmental unit" means the state transportation department, the state transportation commission, a county road commission, a city, or a village.

(k) "Department" or "department of transportation" means the state transportation department, which may be referred to administratively as the department of transportation.

(*l*) "Preservation" means an activity undertaken to preserve the integrity of the existing roadway system. Preservation does not include new construction of highways, roads, streets, or bridges, a project that increases the capacity of a highway facility to accommodate that part of traffic having neither an origin nor destination within the local area, widening of a lane width or more, or adding turn lanes of more than 1/2 mile in length. Preservation includes, but is not limited to, 1 or more of the following:

(*i*) Maintenance.

(*ii*) Capital preventive treatments.

(*iii*) Safety projects.

(*iv*) Reconstruction.

(*v*) Resurfacing.

(*vi*) Restoration.

(*vii*) Rehabilitation.

(*viii*) Widening of less than the width of 1 lane.

(*ix*) Adding auxiliary weaving, climbing, or speed change lanes.

(*x*) Modernizing intersections.

(*xi*) Adding auxiliary turning lanes of 1/2 mile or less.

(*xii*) Installing traffic signs in new locations, installing signal devices in new locations, and replacing existing signal devices.

(m) "Maintenance" means routine maintenance or preventive maintenance, or both. Maintenance does not include capital preventive treatments, resurfacing, reconstruction, restoration, rehabilitation, safety projects, widening of less than 1 lane width, adding auxiliary turn lanes of 1/2 mile or less, adding auxiliary weaving, climbing, or speed-change lanes, modernizing intersections, or the upgrading of aggregate surface roads to hard surface roads. Maintenance of state trunk line highways does not include streetlighting except for freeway lighting for traffic safety purposes.

(n) "Routine maintenance" means actions performed on a regular or controllable basis or in response to uncontrollable events upon a highway, road, street, or bridge. Routine maintenance includes, but is not limited to, 1 or more of the following:

(*i*) Snow and ice removal.

(*ii*) Pothole patching.

(*iii*) Unplugging drain facilities.

(*iv*) Replacing damaged sign and pavement markings.

(*v*) Replacing damaged guardrails.

(*vi*) Repairing storm damage.

(*vii*) Repair or operation of traffic signs and signal systems.

(*viii*) Emergency environmental cleanup.

(*ix*) Emergency repairs.

(*x*) Emergency management of road closures that result from uncontrollable events.

(*xi*) Cleaning streets and associated drainage.

(*xii*) Mowing roadside.

(*xiii*) Control of roadside brush and vegetation.

(*xiv*) Cleaning roadside.

(*xv*) Repairing lighting.

(*xvi*) Grading.

(o) "Preventive maintenance" means a planned strategy of cost-effective treatments to an existing roadway system and its appurtenances that preserve assets by retarding deterioration and maintaining functional condition without significantly increasing structural capacity. Preventive maintenance includes, but is not limited to, 1 or more of the following:

(*i*) Pavement crack sealing.

(*ii*) Micro surfacing.

(*iii*) Chip sealing.

(*iv*) Concrete joint resealing.

(*v*) Concrete joint repair.

(*vi*) Filling shallow pavement cracks.

(*vii*) Patching concrete.

(*viii*) Shoulder resurfacing.

(*ix*) Concrete diamond grinding.

(*x*) Dowel bar retrofit.

(*xi*) Bituminous overlays of 1-1/2 inches or less in thickness.

(*xii*) Restoration of drainage.

(*xiii*) Bridge crack sealing.

(*xiv*) Bridge joint repair.

(*xv*) Bridge seismic retrofit.

(*xvi*) Bridge scour countermeasures.

(*xvii*) Bridge painting.

(*xviii*) Pollution prevention.

(*xix*) New treatments as they may be developed.

(p) "County road commission" means the board of county road commissioners elected or appointed pursuant to section 6 of chapter IV of 1909 PA 283, MCL 224.6, or, in the case of a charter county with a population of 2,000,000 or more with an elected county executive that does not have a board of county road commissioners, the county executive for ministerial functions and the county commission provided for in section 14(1)(d) of 1966 PA 293, MCL 45.514, for legislative functions.

(q) "Capital preventive treatments" means any preventive maintenance category project on state trunk line highways that qualifies under the department's capital preventive maintenance program.

This act is ordered to take immediate effect.
Approved June 16, 2005.
Filed with Secretary of State June 16, 2005.

[No. 46]

(SB 225)

AN ACT to create an agricultural tourism advisory commission; to provide for its powers and duties; and to repeal acts and parts of acts.

The People of the State of Michigan enact:

285.221 Definitions.

Sec. 1. As used in this act:

(a) "Agricultural tourism" means the practice of visiting an agribusiness, horticultural, or agricultural operation, including, but not limited to, a farm, orchard, or winery or a companion animal or livestock show, for the purpose of recreation, education, or active involvement in the operation, other than as a contractor or employee of the operation.

(b) "Commission" means the agricultural tourism advisory commission created in section 2.

(c) "Department" means the department of agriculture.

(d) "Director" means the director of the department.

285.222 Agricultural tourism advisory commission; creation; membership; service; vacancy; removal.

Sec. 2. (1) The agricultural tourism advisory commission is created within the department.

(2) The commission shall consist of the following members appointed by the director:

(a) Four individuals representing agricultural tourism enterprises.

(b) Two individuals representing, or from an association representing, local units of government.

(c) One individual representing the travel Michigan division of the Michigan economic development corporation.

(d) One individual representing a convention bureau, visitors bureau, or chamber of commerce in a rural area.

(e) One individual representing the department.

(3) The members first appointed to the commission shall be appointed within 60 days after the effective date of this act.

(4) Members of the commission shall serve for the life of the commission.

(5) If a vacancy occurs on the commission, the director shall make an appointment to fill the vacancy.

(6) A member of the commission may be removed by the director, for incompetency, dereliction of duty, malfeasance, misfeasance, or nonfeasance in office, or any other good cause.

285.223 Meetings; election of chairperson and members; quorum; conducting business at public meeting; writings; compensation; expenses.

Sec. 3. (1) The first meeting of the commission shall be called by the director. At the first meeting, the commission shall elect from among its members a chairperson and other officers as it considers necessary or appropriate. After the first meeting, the commission shall meet at least quarterly, or more frequently at the call of the chairperson or if requested by 3 or more members.

(2) A majority of the members of the commission constitute a quorum for the transaction of business at a meeting of the commission. A majority of the members present and serving are required for official action of the commission.

(3) The business that the commission may perform shall be conducted at a public meeting of the commission held in compliance with the open meetings act, 1976 PA 267, MCL 15.261 to 15.275.

(4) A writing prepared, owned, used, in the possession of, or retained by the commission in the performance of an official function is subject to the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

(5) Members of the commission shall serve without compensation. However, members of the commission may be reimbursed for their actual and necessary expenses incurred in the performance of their official duties as members of the commission.

285.224 Duties.

Sec. 4. The commission shall do all of the following:

(a) Not more than 2 years after the effective date of this act, submit to the governor and the committees of the senate and house of representatives with primary responsibility

for agriculture issues, tourism issues, and local zoning issues a report that includes all of the following:

(*i*) A discussion of the effects of local zoning on agricultural tourism.

(*ii*) Model local zoning ordinance provisions to promote agricultural tourism.

(*iii*) Recommendations concerning the use of logo signage to promote agricultural tourism.

(*iv*) Recommendations for other measures to promote and enhance agricultural tourism.

(*v*) Other recommendations concerning agricultural tourism.

(b) Undertake studies for the purposes of the report required under subdivision (a).

285.225 Repeal of act.

Sec. 5. This act is repealed effective 2 years after the effective date of this act.

This act is ordered to take immediate effect.
Approved June 16, 2005.
Filed with Secretary of State June 16, 2005.

[No. 47]

(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," (MCL 324.101 to 324.90106) by adding part 23.

The People of the State of Michigan enact:

PART 23. AGRICULTURE AND THE ENVIRONMENT

324.2301 Definitions.

Sec. 2301. As used in this part:

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

(b) "Director" means the director of the department.

(c) "Roundtable" means the agriculture and rural communities roundtable convened under section 2303.

(d) "Rural county" means a county with a population of less than 70,000.

(e) "Standing committees" means the committees of the senate and house of representatives with primary responsibility for agriculture.

324.2303 Agriculture and rural communities roundtable; participants; consultation.

Sec. 2303. (1) The director shall convene an agriculture and rural communities roundtable to discuss how the laws, rules and policies administered by the department affect farmers, food processors, agribusiness, rural counties, and cities, villages, and townships in rural counties.

(2) The director shall invite at least all of the following to participate in the roundtable:

(a) Two individuals from an association representing farmers.

(b) Two individuals from an association representing food processors.

(c) Two individuals from an association representing agribusiness.

(d) One individual representing a township in a rural county.

(e) One individual representing a city or village in a rural county.

(f) One individual representing a rural county.

(3) Before extending invitations to participate in the roundtable, the director shall consult with the chairpersons of standing committees.

324.2305 Meetings.

Sec. 2305. (1) The first meeting of the roundtable shall be convened by the director within 90 days after the effective date of the amendatory act that added this section.

(2) The director shall convene the roundtable at least twice each calendar year, except that if the amendatory act that added this section takes effect after September 30, the roundtable shall convene at least once the first calendar year. The roundtable may advise the director on the need for a more frequent meeting schedule.

(3) The meetings of the roundtable shall be open to the general public and shall be held in a place available to the general public.

(4) The department shall provide notice of each meeting of the roundtable by posting on the department website and such other means as the department determines appropriate.

(5) At least 1 meeting of the roundtable each year shall be held in a rural community. At such a meeting, the public shall be provided an opportunity to address the roundtable on issues within its purview.

(6) The department shall prepare a summary of each meeting of the roundtable including a department response to issues raised during the roundtable meeting. The department shall do both of the following:

(a) Post the summary on its website.

(b) Provide a copy of the summary to the members of the roundtable, any member of the public requesting a copy, and to the standing committees.

This act is ordered to take immediate effect.
Approved June 16, 2005.
Filed with Secretary of State June 16, 2005.

[No. 48]

(SB 384)

AN ACT to designate the third Saturday in June as Juneteenth National Freedom Day; and to designate November 26 of each year as Sojourner Truth Day in the state of Michigan.