

**HOUSE SUBSTITUTE FOR
SENATE BILL NO. 69**

A bill to amend 1966 PA 331, entitled
"Community college act of 1966,"
by amending sections 161, 162, and 163 (MCL 389.161, 389.162, and
389.163), as added by 2008 PA 359.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 161. As used in this chapter:

2 (a) "Agreement" means a written agreement between an employer
3 and a community college district concerning a project and any
4 amendments to that agreement.

5 (b) "Bond" or "bonds" means bonds, notes, or other debt issued
6 by a community college district under this chapter.

7 (c) "Employer" means a person that is engaged in business and
8 has employees in this state.

9 (d) "New job" means a full-time job in this state that meets

1 all of the following:

2 (i) Except as provided in subparagraph (ii) or (iii), is a
3 new, existing, or expanding business of an employer.

4 (ii) Is not a job of a recalled worker, a replacement job, or
5 any other job that existed in the employer's business within the 1-
6 year period preceding the date of an agreement.

7 (iii) Is not a job that is part of an employer's business
8 operation located in a municipality in this state, if that job
9 existed in a business operation or a substantially similar business
10 operation of the employer formerly located in another municipality
11 in this state, the employer moved that business operation or
12 substantially similar business operation to its current location,
13 and the employer closed or substantially reduced that former
14 business operation or substantially similar business operation.

15 (iv) Results in a net increase in employment in this state for
16 that employer.

17 (v) The wage paid for the job is equal to or exceeds 175% of
18 the state minimum wage.

19 (e) "New jobs credit from withholding" means the credit
20 ~~established~~ **DESCRIBED** in section 163.

21 (f) "New jobs training program" or "program" means the project
22 or projects established by a community college district for the
23 creation of jobs by providing education and training or retraining
24 of workers for new jobs.

25 (g) "Program costs" ~~mean~~ **MEANS** all necessary and incidental
26 costs of providing program services.

27 (h) "Program services" ~~include,~~ **INCLUDES**, but ~~are~~ **IS** not

1 limited to, any of the following:

- 2 (i) Training or retraining for new jobs.
- 3 (ii) Adult basic education and job-related instruction.
- 4 (iii) Developmental, readiness, and remedial education.
- 5 (iv) Vocational and skill-assessment services and testing.
- 6 (v) Training facilities, equipment, materials, and supplies.
- 7 (vi) Administrative expenses for the new jobs training

8 program.

9 (vii) Subcontracted services with public universities and
10 colleges in this state, private colleges or universities, or any
11 federal, state, or local departments or agencies.

12 (viii) Contracted or professional services.

13 (i) "Project" means a training arrangement that is the subject
14 of an agreement entered into between the community college district
15 and an employer to provide program services.

16 (j) "State minimum wage" means the minimum hourly wage rate **IN**
17 **EFFECT AS OF THE DATE THE EMPLOYER AND THE COMMUNITY COLLEGE**
18 **DISTRICT ENTER INTO THE AGREEMENT TO ESTABLISH THE PROJECT UNDER**
19 **FORMER 1964 PA 154 OR** under the ~~minimum wage law of 1964, 1964 PA~~
20 ~~154, MCL 408.381 to 408.398.~~ **WORKFORCE OPPORTUNITY WAGE ACT, 2014 PA**
21 **138, MCL 408.411 TO 408.424, AS APPLICABLE.**

22 Sec. 162. (1) ~~Subject to subsection (4), a~~ **A** community college
23 district may enter into an agreement to establish a project with an
24 employer engaged in business activities anywhere in the state. An
25 agreement shall meet section 163 and all of the following:

26 (a) Shall provide for program costs that may be paid from a
27 new jobs credit from withholding, to be received or derived from

1 new employment resulting from the project, or from tuition, student
2 fees, or special charges fixed by the board of trustees to defray
3 program costs in whole or in part.

4 (b) Shall contain an estimate of the number of new jobs to be
5 created by the employer.

6 (c) Shall include a provision that fixes, on a quarterly
7 basis, the minimum amount of new jobs credit from withholding to be
8 paid for program costs.

9 (d) Shall provide that if the amount received from the new
10 jobs credit from withholding is insufficient to pay program costs,
11 the employer agrees to provide money, at least quarterly, to make
12 up the shortfall, so that the community college district receives
13 for each quarter the minimum amount of new jobs credit from
14 withholding that is provided in the agreement.

15 (e) Shall include the employer's agreement to mortgage,
16 assign, pledge, or place a lien on any real or personal property as
17 required by the community college district as security for its
18 obligations under the agreement.

19 (f) Shall provide for payment of an administrative fee to the
20 community college district in an amount equal to 15% of the
21 aggregate amount to be paid under the agreement.

22 (g) May contain other provisions the community college
23 district considers appropriate or necessary.

24 (2) Any payments required to be made by an employer under an
25 agreement are a lien on the employer's business property, real and
26 personal, until paid, have equal precedence with property taxes,
27 and shall not be divested by a judicial sale. Property subject to

1 the lien established in this subsection may be sold for sums due
2 and delinquent at a tax sale, with the same forfeitures, penalties,
3 and consequences as for the nonpayment of property taxes. The
4 purchaser at tax sale obtains the property subject to the remaining
5 payments required under the agreement.

6 (3) A community college district shall file a copy of an
7 agreement with the department of treasury promptly after its
8 execution.

9 (4) A community college district shall not enter into any new
10 agreements after December 31, ~~2018~~**2023**.

11 Sec. 163. (1) If any part of the program costs of a new jobs
12 training program are to be paid from receipt of money from a new
13 jobs credit from withholding, the agreement shall contain all of
14 the following provisions:

15 (a) That program costs are to be paid from money received from
16 a new jobs credit from withholding.

17 (b) That the new jobs credit from withholding shall be based
18 on salary and wages paid to employees of the employer in the new
19 jobs.

20 (c) That for each employee in a new job, the employer shall
21 each month pay the amount required to be deducted and withheld by
22 the employer under section ~~351-703~~ of the income tax act of 1967,
23 ~~281-PA-1967~~ **PA 281**, MCL ~~206-351~~, **206.703**, to the community college
24 district in the same manner as the employer returns and pays
25 withholding payments to the revenue division of the department of
26 treasury, and the community college district shall pay the amounts
27 received into a special fund to pay program costs and the principal

1 of and interest on any bonds issued by the community college
2 district to finance or refinance the project in whole or in part.

3 (d) That the community college district may irrevocably pledge
4 the new jobs credit from withholding, and the special fund into
5 which the withholdings are paid, for the payment of the principal
6 of and interest on bonds issued by a community college district to
7 finance or refinance the project in whole or in part.

8 (e) That for each new jobs credit from withholding paid to a
9 community college district under subdivision (c), the employer
10 shall certify to the department of treasury that the payment was
11 made pursuant to an agreement and shall provide any other
12 information reasonably requested by the department of treasury.

13 **(F) FOR AN AGREEMENT ENTERED INTO AFTER THE EFFECTIVE DATE OF**
14 **THE AMENDATORY ACT THAT ADDED THIS SUBDIVISION, THAT THE EMPLOYER**
15 **SHALL NOT CLAIM A TAX CREDIT UNDER SECTION 431 OF THE MICHIGAN**
16 **BUSINESS TAX ACT, 2007 PA 36, MCL 208.1431, FOR AN EMPLOYEE IN A**
17 **NEW JOB.**

18 **(G) ~~(f)~~**—Any other provisions required by the community college
19 district.

20 (2) At the end of each calendar quarter, a community college
21 district receiving money from a new jobs credit from withholding
22 shall certify to the department of treasury the amount of new jobs
23 credit from withholding each employer with which the community
24 college district has an agreement has remitted to the community
25 college district in that calendar quarter.

26 (3) By April 1 of each year, each community college district
27 that received money from a new jobs credit from withholding in the

1 preceding calendar year shall provide all of the following
2 information to the department of treasury for the preceding
3 calendar year:

4 (a) The name of the community college district.

5 (b) The name of each employer with which the community college
6 district has an agreement, organized by major industry group under
7 the North American industry classification system published by the
8 office of management and budget.

9 (c) The amount of money from a new jobs credit from
10 withholding each employer described in subdivision (b) has remitted
11 to the community college district.

12 (d) The amount of new jobs training revenue bonds the
13 community college district has authorized, issued, or sold.

14 (e) The total amount of the community college district's debt
15 related to agreements at the end of the calendar year.

16 (f) The number of degrees or certificates awarded to program
17 participants in the calendar year.

18 (g) The number of individuals who entered a program at the
19 community college district in the calendar year; who completed the
20 program in the calendar year; and who were enrolled in a program at
21 the end of the calendar year.

22 (h) The number of individuals who completed a program an
23 employer described in subdivision (b) hired to fill new jobs.

24 (i) Any other information reasonably requested by the
25 department of treasury.