

# Legislative Analysis

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## COMMUNITY COLLEGE DISTRICTS

Phone: (517) 373-8080  
<http://www.house.mi.gov/hfa>

**House Bill 4265 as introduced**  
**Sponsor: Rep. Amanda Price**  
**Committee: Education**  
**Complete to 4-21-15**

Analysis available at  
<http://www.legislature.mi.gov>

### SUMMARY:

The Community College Act sets forth procedures for the establishment of community college districts and for their expansion through annexation of counties, townships, intermediate school districts, and school districts. Generally, a local unit that is added to a community college district must be contiguous to the district; exceptions are made for the Upper Peninsula and for any community college district with a 20-year history of providing community college classes at a federal military base in a noncontiguous county.

House Bill 4265 would eliminate requirements that local units proposed for annexation be contiguous to the community college district. Further, annexation would continue to have to be approved by voters in the areas proposed for annexation, albeit under revised and updated procedures.

Generally, to annex, a community college board of trustees passes a resolution indicating its intent to enlarge its district, and has that approved by the state school superintendent. Once approved, a special election is called (1) to vote on the question of annexation and (2) to approve the maximum tax rate existing in the community college district. The special election must be held on the next regular election date (no sooner than 49 days later). The annexation is effective on the date of the election if both propositions receive majority approval.

Under the bill, if a portion of a county, township, or intermediate or local school district to be annexed lay within a community college district at the time of the annexation election, then the electors residing in that territory would not be eligible to vote on the proposition(s) and that territory would not become a part of the community college district.

The bill would explicitly provide that annexed territory would be subject to taxes levied for the bonded indebtedness of the community college district, unless otherwise provided in the annexation proposition(s) approved by the electors.

### FISCAL IMPACT:

The bill would have no direct fiscal impact on the state or local units of government. However, to the extent that a community college district was able to expand due to the bill, a community college could experience a resulting expansion of its tax base and consequently its tax revenues. Simultaneously, however, a district could experience a

contraction in tuition revenues, as presumably more students would qualify for in-district tuition rates.

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