

SENATE BILL NO. 741

November 30, 2021, Introduced by Senators SCHMIDT, HORN, LASATA and VANDERWALL
and referred to the Committee on Education and Career Readiness.

A bill to amend 1966 PA 331, entitled
"Community college act of 1966,"
by amending section 162 (MCL 389.162), as amended by 2015 PA 130.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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

5 (a) ~~Shall~~**Must** provide for program costs that may be paid from

1 a new jobs credit from withholding, to be received or derived from
2 new employment resulting from the project, or from tuition, student
3 fees, or special charges fixed by the board of trustees to defray
4 program costs in whole or in part.

5 (b) ~~Shall~~**Must** contain an estimate of the number of new jobs
6 to be created by the employer.

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

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

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

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

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

25 (2) Any payments required to be made by an employer under an
26 agreement are a lien on the employer's business property, real and
27 personal, until paid, have equal precedence with property taxes,
28 and ~~shall~~**are** not ~~be~~ divested by a judicial sale. Property subject
29 to the lien established in this subsection may be sold for sums due

1 and delinquent at a tax sale, with the same forfeitures, penalties,
2 and consequences as for the nonpayment of property taxes. The
3 purchaser at tax sale obtains the property subject to the remaining
4 payments required under the agreement.

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

8 (4) A community college district shall not enter into any new
9 agreements after December 31, ~~2023~~**2028**.