

**SENATE SUBSTITUTE FOR
HOUSE BILL NO. 5375**

A bill to authorize the creation of promise zones; and to prescribe powers and duties of certain state and local officials.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act shall be known and may be cited as the
2 "Michigan promise zone act".

3 Sec. 3. As used in this act:

4 (a) "Eligible entity" means a city, township, county, local
5 school district, or intermediate school district, in which the
6 percentage of families with children under age 18 that are living
7 at or below the federal poverty level is greater than or equal to
8 the state average of families with children under age 18 living at
9 or below the federal poverty level, as determined by the department
10 of treasury.

1 (b) "Federal poverty level" means the poverty guidelines
2 published annually in the federal register by the United States
3 department of health and human services under its authority to
4 revise the poverty line under section 673(2) of subtitle B of title
5 VI of the omnibus budget reconciliation act of 1981, Public Law 97-
6 35, 42 USC 9902.

7 (c) "Governing body" means the elected body of an eligible
8 entity having legislative powers.

9 (d) "Nonpublic high school" means a high school operated by a
10 nonpublic school that includes grades 9 to 12 or 10 to 12 and that
11 awards a high school diploma. Nonpublic high school also includes a
12 general education development test.

13 (e) "Nonpublic school" means that term as defined in section 5
14 of the revised school code, 1976 PA 451, MCL 380.5.

15 (f) "Promise of financial assistance" means a commitment by an
16 eligible entity to provide financial resources for public or
17 private postsecondary education to eligible students living in a
18 promise zone and who have graduated from a public high school or
19 nonpublic high school located within that promise zone.

20 (g) "Promise zone" means that area created by a governing body
21 under this act.

22 (h) "Public high school" means a public school that includes
23 grades 9 to 12 or 10 to 12 and that awards a high school diploma.

24 (i) "Public school" means that term as defined in section 5 of
25 the revised school code, 1976 PA 451, MCL 380.5.

26 (j) "School district" means that term as defined in the
27 revised school code, 1976 PA 451, MCL 380.1 to 380.1852.

1 (k) "State education tax" means the tax levied under the state
2 education tax act, 1993 PA 331, MCL 211.901 to 211.906.

3 Sec. 5. (1) If a governing body determines that it is
4 necessary for the best interests of the public to promote access to
5 postsecondary education, the governing body may, by resolution,
6 declare its intention to establish a promise zone.

7 (2) The governing body shall set a date for a public hearing
8 on the adoption of a proposed resolution establishing the promise
9 zone. Notice of the public hearing shall be published twice in a
10 newspaper of general circulation in the eligible entity, not less
11 than 20 or more than 40 days before the date of the hearing. Notice
12 of the hearing shall be posted in at least 20 conspicuous and
13 public places in the eligible entity not less than 20 days before
14 the hearing. The notice shall state the date, time, and place of
15 the hearing and shall describe the proposed promise zone, the
16 details of the promise of financial assistance, and the criteria
17 for eligibility to receive that financial assistance.

18 (3) Not less than 30 days after the public hearing, if the
19 governing body of the eligible entity intends to proceed with the
20 establishment of the promise zone, it shall submit an application
21 to the department of treasury seeking approval to establish a
22 promise zone.

23 (4) The department of treasury shall review the application
24 submitted under subsection (3) and shall certify that the governing
25 body of the eligible entity is eligible to establish a promise zone
26 under this act. The department of treasury shall review the
27 applications submitted under subsection (3) on a first-come first-

1 served basis and shall not certify more than 10 governing bodies of
2 eligible entities as eligible to establish a promise zone under
3 this act.

4 (5) If the department of treasury certifies that the governing
5 body of the eligible entity is eligible to create a promise zone,
6 the governing body shall, by resolution, establish a promise zone.

7 (6) Not more than 90 days after the governing body approves a
8 resolution to establish a promise zone, a local school district may
9 by resolution elect not to participate in the establishment of a
10 promise zone by the governing body of the eligible entity in which
11 the local school district is located. The resolution shall include
12 a provision that the local school district will establish a
13 separate promise zone under this act. If the local school district
14 does not establish a promise zone within a reasonable period of
15 time, the department of treasury may include that local school
16 district in the promise zone established by the eligible entity in
17 which the local school district is located.

18 Sec. 7. The establishment of a promise zone does not create a
19 cause of action in law or in equity against this state or an
20 eligible entity.

21 Sec. 9. (1) A city, township, county, local school district,
22 or intermediate school district that is not an eligible entity may
23 create a promise zone under this act, but shall not capture revenue
24 from the state education tax under the Michigan promise zone
25 authority act. The governing body of a city, township, county,
26 local school district, or intermediate school district that is not
27 an eligible entity shall not be considered under section 5 in

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determining the number of governing bodies of eligible entities
eligible to establish a promise zone under this act.

(2) This section shall not prevent an eligible entity located
within a city, township, county, local school district, or
intermediate school district that is not an eligible entity from
creating a promise zone under this act and capturing revenue from
the state education tax under the Michigan promise zone authority
act.

<<Enacting section 1. This act does not take effect unless
Senate Bill No. 861 of the 94th Legislature is enacted into law.

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