

HOUSE SUBSTITUTE FOR
SENATE BILL NO. 1342

A bill to amend 1966 PA 331, entitled
"Community college act of 1966,"
(MCL 389.1 to 389.195) by amending the title, as amended by 1998 PA
153, and by adding chapter 13 to part 2.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 TITLE

2 An act to revise and consolidate the laws relating to
3 community colleges; to provide for the creation of community
4 college districts; to provide a charter for such districts; to
5 provide for the government, control and administration of such
6 districts; to provide for the election of a board of trustees; to
7 define the powers and duties of the board of trustees; to provide
8 for the assessment, levy, collection and return of taxes therefor;
9 **TO AUTHORIZE COMMUNITY COLLEGE DISTRICTS TO OPERATE A NEW JOBS**
10 **TRAINING PROGRAM, ENTER INTO CERTAIN TRAINING AGREEMENTS, AND ISSUE**

1 BONDS TO FINANCE THE TRAINING PROGRAM; to prescribe penalties and
2 provide remedies; and to repeal acts and parts of acts.

3 PART 2

4 CHAPTER 13

5 NEW JOBS TRAINING PROGRAMS

6 SEC. 161. AS USED IN THIS CHAPTER:

7 (A) "AGREEMENT" MEANS A WRITTEN AGREEMENT BETWEEN AN EMPLOYER
8 AND A COMMUNITY COLLEGE DISTRICT CONCERNING A PROJECT AND ANY
9 AMENDMENTS TO THAT AGREEMENT.

10 (B) "BOND" OR "BONDS" MEANS BONDS, NOTES, OR OTHER DEBT ISSUED
11 BY A COMMUNITY COLLEGE DISTRICT UNDER THIS CHAPTER.

12 (C) "EMPLOYER" MEANS A PERSON THAT IS ENGAGED IN BUSINESS AND
13 HAS EMPLOYEES IN THIS STATE.

14 (D) "NEW JOB" MEANS A FULL-TIME JOB IN THIS STATE THAT MEETS
15 ALL OF THE FOLLOWING:

16 (i) EXCEPT AS PROVIDED IN SUBPARAGRAPH (ii) OR (iii), IS A NEW,
17 EXISTING, OR EXPANDING BUSINESS OF AN EMPLOYER.

18 (ii) IS NOT A JOB OF A RECALLED WORKER, A REPLACEMENT JOB, OR
19 ANY OTHER JOB THAT EXISTED IN THE EMPLOYER'S BUSINESS WITHIN THE 1-
20 YEAR PERIOD PRECEDING THE DATE OF AN AGREEMENT.

21 (iii) IS NOT A JOB THAT IS PART OF AN EMPLOYER'S BUSINESS
22 OPERATION LOCATED IN A MUNICIPALITY IN THIS STATE, IF THAT JOB
23 EXISTED IN A BUSINESS OPERATION OR A SUBSTANTIALLY SIMILAR BUSINESS
24 OPERATION OF THE EMPLOYER FORMERLY LOCATED IN ANOTHER MUNICIPALITY
25 IN THIS STATE, THE EMPLOYER MOVED THAT BUSINESS OPERATION OR
26 SUBSTANTIALLY SIMILAR BUSINESS OPERATION TO ITS CURRENT LOCATION,
27 AND THE EMPLOYER CLOSED OR SUBSTANTIALLY REDUCED THAT FORMER

1 BUSINESS OPERATION OR SUBSTANTIALLY SIMILAR BUSINESS OPERATION.

2 (iv) RESULTS IN A NET INCREASE IN EMPLOYMENT IN THIS STATE FOR
3 THAT EMPLOYER.

4 (iv) THE COMPENSATION FOR THE JOB MEETS EITHER OF THE
5 FOLLOWING:

6 (A) IT PAYS WAGES THAT ARE EQUAL TO OR EXCEED 200% OF THE
7 STATE MINIMUM WAGE.

8 (B) IT INCLUDES FAMILY HEALTH BENEFITS PROVIDED AND PAID FOR
9 BY THE EMPLOYER AND PAYS WAGES THAT ARE EQUAL TO OR EXCEED 150% OF
10 THE STATE MINIMUM WAGE.

11 (E) "NEW JOBS CREDIT FROM WITHHOLDING" MEANS THE CREDIT
12 ESTABLISHED IN SECTION 163.

13 (F) "NEW JOBS TRAINING PROGRAM" OR "PROGRAM" MEANS THE PROJECT
14 OR PROJECTS ESTABLISHED BY A COMMUNITY COLLEGE DISTRICT FOR THE
15 CREATION OF JOBS BY PROVIDING EDUCATION AND TRAINING OR RETRAINING
16 OF WORKERS FOR NEW JOBS.

17 (G) "PROGRAM COSTS" MEAN ALL NECESSARY AND INCIDENTAL COSTS OF
18 PROVIDING PROGRAM SERVICES.

19 (H) "PROGRAM SERVICES" INCLUDE, BUT ARE NOT LIMITED TO, ANY OF
20 THE FOLLOWING:

21 (i) TRAINING OR RETRAINING FOR NEW JOBS.

22 (ii) ADULT BASIC EDUCATION AND JOB-RELATED INSTRUCTION.

23 (iii) DEVELOPMENTAL, READINESS, AND REMEDIAL EDUCATION.

24 (iv) VOCATIONAL AND SKILL-ASSESSMENT SERVICES AND TESTING.

25 (v) TRAINING FACILITIES, EQUIPMENT, MATERIALS, AND SUPPLIES.

26 (vi) ADMINISTRATIVE EXPENSES FOR THE NEW JOBS TRAINING PROGRAM.

27 (vii) SUBCONTRACTED SERVICES WITH PUBLIC UNIVERSITIES AND

1 COLLEGES IN THIS STATE, PRIVATE COLLEGES OR UNIVERSITIES, OR ANY
2 FEDERAL, STATE, OR LOCAL DEPARTMENTS OR AGENCIES.

3 (viii) CONTRACTED OR PROFESSIONAL SERVICES.

4 (I) "PROJECT" MEANS A TRAINING ARRANGEMENT THAT IS THE SUBJECT
5 OF AN AGREEMENT ENTERED INTO BETWEEN THE COMMUNITY COLLEGE DISTRICT
6 AND AN EMPLOYER TO PROVIDE PROGRAM SERVICES.

7 (J) "STATE MINIMUM WAGE" MEANS THE MINIMUM HOURLY WAGE RATE
8 UNDER THE MINIMUM WAGE LAW OF 1964, 1964 PA 154, MCL 408.381 TO
9 408.398.

10 SEC. 162. (1) SUBJECT TO SUBSECTION (4), A COMMUNITY COLLEGE
11 DISTRICT MAY ENTER INTO AN AGREEMENT TO ESTABLISH A PROJECT WITH AN
12 EMPLOYER ENGAGED IN BUSINESS ACTIVITIES ANYWHERE IN THE STATE. AN
13 AGREEMENT SHALL MEET SECTION 163 AND ALL OF THE FOLLOWING:

14 (A) SHALL PROVIDE FOR PROGRAM COSTS THAT MAY BE PAID FROM A
15 NEW JOBS CREDIT FROM WITHHOLDING, TO BE RECEIVED OR DERIVED FROM
16 NEW EMPLOYMENT RESULTING FROM THE PROJECT, OR FROM TUITION, STUDENT
17 FEES, OR SPECIAL CHARGES FIXED BY THE BOARD OF TRUSTEES TO DEFRAY
18 PROGRAM COSTS IN WHOLE OR IN PART.

19 (B) SHALL CONTAIN AN ESTIMATE OF THE NUMBER OF NEW JOBS TO BE
20 CREATED BY THE EMPLOYER.

21 (C) SHALL INCLUDE A PROVISION THAT FIXES, ON A QUARTERLY
22 BASIS, THE MINIMUM AMOUNT OF NEW JOBS CREDIT FROM WITHHOLDING TO BE
23 PAID FOR PROGRAM COSTS.

24 (D) SHALL PROVIDE THAT IF THE AMOUNT RECEIVED FROM THE NEW
25 JOBS CREDIT FROM WITHHOLDING IS INSUFFICIENT TO PAY PROGRAM COSTS,
26 THE EMPLOYER AGREES TO PROVIDE MONEY, AT LEAST QUARTERLY, TO MAKE
27 UP THE SHORTFALL, SO THAT THE COMMUNITY COLLEGE DISTRICT RECEIVES

1 FOR EACH QUARTER THE MINIMUM AMOUNT OF NEW JOBS CREDIT FROM
2 WITHHOLDING THAT IS PROVIDED IN THE AGREEMENT.

3 (E) SHALL INCLUDE THE EMPLOYER'S AGREEMENT TO MORTGAGE,
4 ASSIGN, PLEDGE, OR PLACE A LIEN ON ANY REAL OR PERSONAL PROPERTY AS
5 REQUIRED BY THE COMMUNITY COLLEGE DISTRICT AS SECURITY FOR ITS
6 OBLIGATIONS UNDER THE AGREEMENT.

7 (F) SHALL PROVIDE FOR PAYMENT OF AN ADMINISTRATIVE FEE TO THE
8 COMMUNITY COLLEGE DISTRICT IN AN AMOUNT EQUAL TO 15% OF THE
9 AGGREGATE AMOUNT TO BE PAID UNDER THE AGREEMENT.

10 (G) MAY CONTAIN OTHER PROVISIONS THE COMMUNITY COLLEGE
11 DISTRICT CONSIDERS APPROPRIATE OR NECESSARY.

12 (2) ANY PAYMENTS REQUIRED TO BE MADE BY AN EMPLOYER UNDER AN
13 AGREEMENT ARE A LIEN ON THE EMPLOYER'S BUSINESS PROPERTY, REAL AND
14 PERSONAL, UNTIL PAID, HAVE EQUAL PRECEDENCE WITH PROPERTY TAXES,
15 AND SHALL NOT BE DIVESTED BY A JUDICIAL SALE. PROPERTY SUBJECT TO
16 THE LIEN ESTABLISHED IN THIS SUBSECTION MAY BE SOLD FOR SUMS DUE
17 AND DELINQUENT AT A TAX SALE, WITH THE SAME FORFEITURES, PENALTIES,
18 AND CONSEQUENCES AS FOR THE NONPAYMENT OF PROPERTY TAXES. THE
19 PURCHASER AT TAX SALE OBTAINS THE PROPERTY SUBJECT TO THE REMAINING
20 PAYMENTS REQUIRED UNDER THE AGREEMENT.

21 (3) A COMMUNITY COLLEGE DISTRICT SHALL FILE A COPY OF AN
22 AGREEMENT WITH THE DEPARTMENT OF TREASURY PROMPTLY AFTER ITS
23 EXECUTION.

24 (4) A COMMUNITY COLLEGE DISTRICT SHALL NOT ENTER INTO ANY NEW
25 AGREEMENTS AFTER DECEMBER 31, 2018.

26 SEC. 163. (1) IF ANY PART OF THE PROGRAM COSTS OF A NEW JOBS
27 TRAINING PROGRAM ARE TO BE PAID FROM RECEIPT OF MONEY FROM A NEW

1 JOBS CREDIT FROM WITHHOLDING, THE AGREEMENT SHALL CONTAIN ALL OF
2 THE FOLLOWING PROVISIONS:

3 (A) THAT PROGRAM COSTS ARE TO BE PAID FROM MONEY RECEIVED FROM
4 A NEW JOBS CREDIT FROM WITHHOLDING.

5 (B) THAT THE NEW JOBS CREDIT FROM WITHHOLDING SHALL BE BASED
6 ON SALARY AND WAGES PAID TO EMPLOYEES OF THE EMPLOYER IN THE NEW
7 JOBS.

8 (C) THAT FOR EACH EMPLOYEE IN A NEW JOB, THE EMPLOYER SHALL
9 EACH MONTH PAY THE AMOUNT REQUIRED TO BE DEDUCTED AND WITHHELD BY
10 THE EMPLOYER UNDER SECTION 351 OF THE INCOME TAX ACT OF 1967, 281
11 PA 1967, MCL 206.351, TO THE COMMUNITY COLLEGE DISTRICT IN THE SAME
12 MANNER AS THE EMPLOYER RETURNS AND PAYS WITHHOLDING PAYMENTS TO THE
13 REVENUE DIVISION OF THE DEPARTMENT OF TREASURY, AND THE COMMUNITY
14 COLLEGE DISTRICT SHALL PAY THE AMOUNTS RECEIVED INTO A SPECIAL FUND
15 TO PAY PROGRAM COSTS AND THE PRINCIPAL OF AND INTEREST ON ANY BONDS
16 ISSUED BY THE COMMUNITY COLLEGE DISTRICT TO FINANCE OR REFINANCE
17 THE PROJECT IN WHOLE OR IN PART.

18 (D) THAT THE COMMUNITY COLLEGE DISTRICT MAY IRREVOCABLY PLEDGE
19 THE NEW JOBS CREDIT FROM WITHHOLDING, AND THE SPECIAL FUND INTO
20 WHICH THE WITHHOLDINGS ARE PAID, FOR THE PAYMENT OF THE PRINCIPAL
21 OF AND INTEREST ON BONDS ISSUED BY A COMMUNITY COLLEGE DISTRICT TO
22 FINANCE OR REFINANCE THE PROJECT IN WHOLE OR IN PART.

23 (E) THAT FOR EACH NEW JOBS CREDIT FROM WITHHOLDING PAID TO A
24 COMMUNITY COLLEGE DISTRICT UNDER SUBDIVISION (C), THE EMPLOYER
25 SHALL CERTIFY TO THE DEPARTMENT OF TREASURY THAT THE PAYMENT WAS
26 MADE PURSUANT TO AN AGREEMENT AND SHALL PROVIDE ANY OTHER
27 INFORMATION REASONABLY REQUESTED BY THE DEPARTMENT OF TREASURY.

1 (F) ANY OTHER PROVISIONS REQUIRED BY THE COMMUNITY COLLEGE
2 DISTRICT.

3 (2) AT THE END OF EACH CALENDAR QUARTER, A COMMUNITY COLLEGE
4 DISTRICT RECEIVING MONEY FROM A NEW JOBS CREDIT FROM WITHHOLDING
5 SHALL CERTIFY TO THE DEPARTMENT OF TREASURY THE AMOUNT OF NEW JOBS
6 CREDIT FROM WITHHOLDING EACH EMPLOYER WITH WHICH THE COMMUNITY
7 COLLEGE DISTRICT HAS AN AGREEMENT HAS REMITTED TO THE COMMUNITY
8 COLLEGE DISTRICT IN THAT CALENDAR QUARTER.

9 (3) BY APRIL 1 OF EACH YEAR, EACH COMMUNITY COLLEGE DISTRICT
10 THAT RECEIVED MONEY FROM A NEW JOBS CREDIT FROM WITHHOLDING IN THE
11 PRECEDING CALENDAR YEAR SHALL PROVIDE ALL OF THE FOLLOWING
12 INFORMATION TO THE DEPARTMENT OF TREASURY FOR THE PRECEDING
13 CALENDAR YEAR:

14 (A) THE NAME OF THE COMMUNITY COLLEGE DISTRICT.

15 (B) THE NAME OF EACH EMPLOYER WITH WHICH THE COMMUNITY COLLEGE
16 DISTRICT HAS AN AGREEMENT, ORGANIZED BY MAJOR INDUSTRY GROUP UNDER
17 THE STANDARD INDUSTRIAL CLASSIFICATION CODE AS COMPILED BY THE
18 UNITED STATES DEPARTMENT OF LABOR.

19 (C) THE AMOUNT OF MONEY FROM A NEW JOBS CREDIT FROM
20 WITHHOLDING EACH EMPLOYER DESCRIBED IN SUBDIVISION (B) HAS REMITTED
21 TO THE COMMUNITY COLLEGE DISTRICT.

22 (D) THE AMOUNT OF NEW JOBS TRAINING REVENUE BONDS THE
23 COMMUNITY COLLEGE DISTRICT HAS AUTHORIZED, ISSUED, OR SOLD.

24 (E) THE TOTAL AMOUNT OF THE COMMUNITY COLLEGE DISTRICT'S DEBT
25 RELATED TO AGREEMENTS AT THE END OF THE CALENDAR YEAR.

26 (F) THE NUMBER OF DEGREES OR CERTIFICATES AWARDED TO PROGRAM
27 PARTICIPANTS IN THE CALENDAR YEAR.

1 (G) THE NUMBER OF INDIVIDUALS WHO ENTERED A PROGRAM AT THE
2 COMMUNITY COLLEGE DISTRICT IN THE CALENDAR YEAR; WHO COMPLETED THE
3 PROGRAM IN THE CALENDAR YEAR; AND WHO WERE ENROLLED IN A PROGRAM AT
4 THE END OF THE CALENDAR YEAR.

5 (H) THE NUMBER OF INDIVIDUALS WHO COMPLETED A PROGRAM AN
6 EMPLOYER DESCRIBED IN SUBDIVISION (B) HIRED TO FILL NEW JOBS.

7 (I) ANY OTHER INFORMATION REASONABLY REQUESTED BY THE
8 DEPARTMENT OF TREASURY.

9 SEC. 164. (1) SUBJECT TO SUBSECTION (16), BY RESOLUTION OF ITS
10 BOARD OF TRUSTEES, A COMMUNITY COLLEGE DISTRICT MAY AUTHORIZE,
11 ISSUE, AND SELL ITS NEW JOBS TRAINING REVENUE BONDS IN ANTICIPATION
12 OF PAYMENTS TO BE RECEIVED PURSUANT TO AN AGREEMENT, SUBJECT TO THE
13 REQUIREMENTS OF THIS CHAPTER, TO FINANCE COSTS OF NEW JOBS TRAINING
14 PROGRAMS AND TO PAY COSTS OF ISSUING THOSE BONDS. THE BONDS SHALL
15 BE PAYABLE IN THE MANNER AND ON THE TERMS AND CONDITIONS
16 DETERMINED, OR WITHIN THE PARAMETERS SPECIFIED, BY THE BOARD IN THE
17 RESOLUTION AUTHORIZING ISSUANCE OF THE BONDS. THE RESOLUTION
18 AUTHORIZING THE BONDS SHALL CREATE A LIEN ON THE RECEIPTS FROM NEW
19 JOBS CREDIT FROM WITHHOLDING TO BE RECEIVED BY THE COMMUNITY
20 COLLEGE DISTRICT PURSUANT TO AN AGREEMENT OR AGREEMENTS THAT SHALL
21 BE A STATUTORY LIEN AND SHALL BE A FIRST LIEN SUBJECT ONLY TO LIENS
22 PREVIOUSLY CREATED. AS ADDITIONAL SECURITY, IN THE RESOLUTION
23 AUTHORIZING THE BONDS, THE BOARD OF TRUSTEES MAY ALSO PLEDGE THE
24 LIMITED TAX FULL FAITH AND CREDIT OF THE DISTRICT AND MAY AUTHORIZE
25 AND ENTER INTO AN INSURANCE CONTRACT, AGREEMENT FOR LINES OF
26 CREDIT, LETTER OF CREDIT, COMMITMENT TO PURCHASE OBLIGATIONS,
27 REMARKETING AGREEMENT, REIMBURSEMENT AGREEMENT, TENDER AGREEMENT,

1 OR ANY OTHER TRANSACTION NECESSARY TO PROVIDE SECURITY TO ASSURE
2 TIMELY PAYMENT OF ANY BONDS.

3 (2) BONDS DESCRIBED IN SUBSECTION (1) SHALL BE AUTHORIZED BY
4 RESOLUTION OF THE BOARD OF TRUSTEES, AND SHALL BEAR THE DATE OR
5 DATES, AND SHALL MATURE AT THE TIME OR TIMES, NOT EXCEEDING 20
6 YEARS FROM THE DATE OF ISSUE, PROVIDED IN THE RESOLUTION. THE BONDS
7 SHALL BEAR INTEREST AT THE RATE OR RATES, FIXED OR VARIABLE OR A
8 COMBINATION OF FIXED AND VARIABLE, BE IN THE DENOMINATIONS, BE IN
9 THE FORM, EITHER COUPON OR REGISTERED, CARRY THE REGISTRATION
10 PRIVILEGES, BE EXECUTED IN THE MANNER, BE PAYABLE IN THE MEDIUM OF
11 PAYMENT AND AT THE PLACE OR PLACES, AND BE SUBJECT TO THE TERMS OF
12 REDEMPTION PROVIDED IN THE RESOLUTION OR RESOLUTIONS. THE BONDS OF
13 THE COMMUNITY COLLEGE DISTRICT MAY BE SOLD AT A COMPETITIVE OR
14 NEGOTIATED SALE AT PAR, PREMIUM, OR DISCOUNT AS DETERMINED IN THE
15 AUTHORIZING RESOLUTION.

16 (3) A COMMUNITY COLLEGE DISTRICT MAY ISSUE BONDS DESCRIBED IN
17 SUBSECTION (1) WITH RESPECT TO A SINGLE PROJECT OR MULTIPLE
18 PROJECTS AS DETERMINED BY THE BOARD OF TRUSTEES IN THE RESOLUTION
19 AUTHORIZING THE ISSUANCE OF THE BONDS. THE BOARD OF TRUSTEES MAY
20 DETERMINE TO SELL THE BONDS IN CONJUNCTION WITH THE SALE OF BONDS
21 BY ANOTHER COMMUNITY COLLEGE DISTRICT.

22 (4) ANY RESOLUTION AUTHORIZING ANY BONDS UNDER THIS SECTION,
23 OR ANY ISSUE OF BONDS OF THOSE BONDS, MAY CONTAIN PROVISIONS
24 CONCERNING ANY OF THE FOLLOWING, AND THOSE PROVISIONS ARE PART OF
25 THE CONTRACT WITH THE HOLDERS OF THE BONDS:

26 (A) PLEDGING ALL OR ANY PART OF ANY FEES OR AVAILABLE FUNDS OF
27 THE COMMUNITY COLLEGE DISTRICT, OR OTHER MONEY RECEIVED OR TO BE

1 RECEIVED, TO SECURE THE PAYMENT OF THE BONDS OR OF ANY ISSUE OF
2 BONDS, AND SUBJECT TO ANY AGREEMENTS WITH BONDHOLDERS AS MAY THEN
3 EXIST.

4 (B) PLEDGING ALL OR ANY PART OF THE ASSETS OF THE COMMUNITY
5 COLLEGE DISTRICT, INCLUDING MORTGAGES AND OBLIGATIONS SECURING THE
6 ASSETS, TO SECURE THE PAYMENT OF THE BONDS OR OF ANY ISSUE OF
7 BONDS, SUBJECT TO ANY AGREEMENTS WITH BONDHOLDERS AS MAY THEN
8 EXIST.

9 (C) THE SETTING ASIDE OF RESERVES OR SINKING FUNDS AND THE
10 REGULATION AND DISPOSITION OF RESERVES OR SINKING FUNDS.

11 (D) LIMITATIONS ON THE PURPOSE TO WHICH THE PROCEEDS OF SALE
12 OF BONDS MAY BE APPLIED AND PLEDGING THE PROCEEDS TO SECURE THE
13 PAYMENT OF THE BONDS OR OF ANY ISSUE OF BONDS.

14 (E) LIMITATIONS ON THE ISSUANCE OF ADDITIONAL BONDS; THE TERMS
15 ON WHICH ADDITIONAL BONDS MAY BE ISSUED AND SECURED; AND THE
16 REFUNDING OF OUTSTANDING OR OTHER BONDS.

17 (F) THE PROCEDURE, IF ANY, BY WHICH THE TERMS OF ANY CONTRACT
18 WITH BONDHOLDERS MAY BE AMENDED OR ABROGATED, THE AMOUNT OF BONDS
19 THE HOLDERS OF WHICH MUST CONSENT TO THE AMENDMENT OR ABROGATION,
20 AND THE MANNER IN WHICH BONDHOLDERS MAY GIVE THAT CONSENT.

21 (G) VESTING IN A TRUSTEE OR TRUSTEES THE PROPERTY, RIGHTS,
22 POWERS, AND DUTIES IN TRUST DETERMINED BY THE BOARD OF TRUSTEES OF
23 THE COMMUNITY COLLEGE DISTRICT.

24 (H) ANY OTHER MATTERS THAT IN ANY WAY AFFECT THE SECURITY OR
25 PROTECTION OF THE BONDS.

26 (I) DELEGATING TO AN OFFICER OR OTHER EMPLOYEE OF THE
27 COMMUNITY COLLEGE DISTRICT, OR AN AGENT DESIGNATED BY THE COMMUNITY

1 COLLEGE DISTRICT, THE POWER TO CAUSE THE ISSUE, SALE, AND DELIVERY
2 OF THE BONDS WITHIN LIMITS ON THOSE BONDS ESTABLISHED BY THE
3 COMMUNITY COLLEGE DISTRICT CONCERNING ANY OF THE FOLLOWING:

4 (i) THE FORM OF THE BONDS.

5 (ii) THE MAXIMUM INTEREST RATE OR RATES OF THE BONDS.

6 (iii) THE MATURITY DATE OR DATES OF THE BONDS.

7 (iv) THE PURCHASE PRICE OF THE BONDS.

8 (v) THE DENOMINATIONS OF THE BONDS.

9 (vi) THE REDEMPTION PREMIUMS OF THE BONDS.

10 (vii) THE NATURE OF THE SECURITY FOR THE BONDS.

11 (viii) ANY OTHER TERMS AND CONDITIONS CONCERNING ISSUANCE OF THE
12 BONDS PRESCRIBED BY THE BOARD OF TRUSTEES OF THE COMMUNITY COLLEGE
13 DISTRICT.

14 (5) ALL OF THE FOLLOWING APPLY TO ANY PLEDGE OF MONEY OR OTHER
15 ASSETS MADE BY A COMMUNITY COLLEGE DISTRICT TO SECURE ANY BONDS OR
16 ISSUE OF BONDS UNDER THIS SECTION:

17 (A) THE PLEDGE IS VALID AND BINDING FROM THE TIME WHEN THE
18 PLEDGE IS MADE.

19 (B) THE MONEY OR OTHER ASSETS PLEDGED ARE IMMEDIATELY SUBJECT
20 TO THE LIEN OF THE PLEDGE WHEN RECEIVED, WITHOUT ANY PHYSICAL
21 DELIVERY OF THE MONEY OR ASSETS OR ANY FURTHER ACT.

22 (C) THE LIEN OF THE PLEDGE IS VALID AND BINDING AS AGAINST ALL
23 PARTIES HAVING CLAIMS OF ANY KIND, IN TORT, CONTRACT, OR OTHERWISE,
24 AGAINST THE COMMUNITY COLLEGE DISTRICT, WHETHER OR NOT THOSE
25 PARTIES HAVE NOTICE OF THE LIEN.

26 (D) THE COMMUNITY COLLEGE DISTRICT IS NOT REQUIRED TO RECORD
27 THE RESOLUTION OR ANY OTHER INSTRUMENT CREATING THE PLEDGE.

1 (6) THE BOARD OF TRUSTEES OF A COMMUNITY COLLEGE DISTRICT AND
2 ANY PERSON EXECUTING BONDS SUBJECT TO THIS SECTION ARE NOT
3 PERSONALLY LIABLE ON THE BONDS OR SUBJECT TO ANY PERSONAL LIABILITY
4 OR ACCOUNTABILITY BY REASON OF THE ISSUANCE OF THE BONDS.

5 (7) A COMMUNITY COLLEGE DISTRICT ISSUING BONDS UNDER THIS
6 SECTION MAY PURCHASE BONDS OF THE COMMUNITY COLLEGE DISTRICT OUT OF
7 ANY FUNDS AVAILABLE FOR THAT PURPOSE, SUBJECT TO ANY AGREEMENTS
8 WITH BONDHOLDERS IN EFFECT AT THAT TIME. UNLESS THE BOARD OF THE
9 COMMUNITY COLLEGE DISTRICT DETERMINES BY RESOLUTION THAT THE
10 PAYMENT OF A HIGHER PRICE IS IN THE BEST INTERESTS OF THE COMMUNITY
11 COLLEGE DISTRICT, THE COMMUNITY COLLEGE SHALL NOT PURCHASE THOSE
12 BONDS AT A PRICE THAT EXCEEDS 1 OF THE FOLLOWING, AS APPLICABLE:

13 (A) IF THE BONDS ARE REDEEMABLE AT THE TIME OF PURCHASE, THE
14 REDEMPTION PRICE APPLICABLE AT THAT TIME PLUS ACCRUED INTEREST TO
15 THE NEXT INTEREST PAYMENT DATE ON THE BONDS.

16 (B) IF THE BONDS ARE NOT REDEEMABLE AT THE TIME OF PURCHASE,
17 THE REDEMPTION PRICE APPLICABLE ON THE FIRST DATE AFTER THE
18 PURCHASE ON WHICH THE BONDS ARE REDEEMABLE, PLUS ACCRUED INTEREST
19 TO THAT DATE.

20 (8) BONDS ISSUED UNDER THIS SECTION ARE NOT SUBJECT TO THE
21 REVISED MUNICIPAL FINANCE ACT, 2001 PA 34, MCL 141.2101 TO
22 141.2821, EXCEPT THAT BONDS ISSUED UNDER THIS SECTION ARE SUBJECT
23 TO THE MAXIMUM RATE PERMITTED UNDER SECTION 305 OF THE REVISED
24 MUNICIPAL FINANCE ACT, 2001 PA 34, MCL 141.2305.

25 (9) THE ISSUANCE OF BONDS UNDER THIS SECTION IS SUBJECT TO THE
26 AGENCY FINANCING REPORTING ACT, 2002 PA 470, MCL 129.171 TO
27 129.177.

1 (10) BONDS ISSUED UNDER THIS SECTION SHALL NOT BE CONSIDERED
2 TO BE WITHIN ANY LIMITATION OF OUTSTANDING DEBT LIMIT APPLICABLE TO
3 THE COMMUNITY COLLEGE DISTRICT, INCLUDING ANY LIMITATION CONTAINED
4 IN SECTION 122, BUT SHALL BE CONSIDERED AS AUTHORIZED IN ADDITION
5 TO ANY LIMITATION OF OUTSTANDING DEBT LIMIT APPLICABLE TO THE
6 COMMUNITY COLLEGE DISTRICT.

7 (11) BY RESOLUTION OF ITS BOARD OF TRUSTEES, A COMMUNITY
8 COLLEGE DISTRICT MAY REFUND ALL OR ANY PART OF ITS OUTSTANDING
9 BONDS ISSUED UNDER THIS SECTION BY ISSUING REFUNDING BONDS. A
10 COMMUNITY COLLEGE DISTRICT MAY ISSUE REFUNDING BONDS WHETHER THE
11 OUTSTANDING BONDS TO BE REFUNDED HAVE OR HAVE NOT MATURED, ARE OR
12 ARE NOT REDEEMABLE ON THE DATE OF ISSUANCE OF THE REFUNDING BONDS,
13 OR ARE OR ARE NOT SUBJECT TO REDEMPTION BEFORE MATURITY.

14 (12) A COMMUNITY COLLEGE DISTRICT MAY ISSUE REFUNDING BONDS
15 UNDER SUBSECTION (11) IN A PRINCIPAL AMOUNT GREATER THAN THE
16 PRINCIPAL AMOUNT OF THE OUTSTANDING BONDS TO BE REFUNDED IF
17 NECESSARY TO EFFECT THE REFUNDING UNDER THE REFUNDING PLAN.

18 (13) A COMMUNITY COLLEGE DISTRICT MAY USE THE PROCEEDS OF
19 REFUNDING BONDS ISSUED UNDER SUBSECTION (11) TO PAY INTEREST
20 ACCRUED, OR TO ACCRUE, TO THE EARLIEST OR ANY SUBSEQUENT DATE OF
21 REDEMPTION, PURCHASE, OR MATURITY OF THE OUTSTANDING BONDS TO BE
22 REFUNDED, REDEMPTION PREMIUM, IF ANY, AND ANY COMMISSION, SERVICE
23 FEE, AND OTHER EXPENSE NECESSARY TO BE PAID IN CONNECTION WITH THE
24 OUTSTANDING BONDS TO BE REFUNDED. A COMMUNITY COLLEGE DISTRICT MAY
25 ALSO USE THE PROCEEDS OF REFUNDING BONDS TO PAY PART OF THE COST OF
26 ISSUANCE OF THE REFUNDING BONDS, INTEREST ON THE REFUNDING BONDS, A
27 RESERVE FOR THE PAYMENT OF PRINCIPAL, INTEREST, AND REDEMPTION

1 PREMIUMS ON THE REFUNDING BONDS, AND OTHER NECESSARY INCIDENTAL
2 EXPENSES, INCLUDING, BUT NOT LIMITED TO, PLACEMENT FEES AND FEES OR
3 CHARGES FOR INSURANCE, LETTERS OF CREDIT, LINES OF CREDIT, OR
4 COMMITMENTS TO PURCHASE THE OUTSTANDING BONDS TO BE REFUNDED.

5 (14) A COMMUNITY COLLEGE DISTRICT MAY APPLY THE PROCEEDS OF
6 REFUNDING BONDS ISSUED UNDER SUBSECTION (11) AND OTHER AVAILABLE
7 MONEY TO PAYMENT OF THE PRINCIPAL, INTEREST, OR REDEMPTION
8 PREMIUMS, IF ANY, ON THE REFUNDED OUTSTANDING BONDS AT MATURITY OR
9 ON ANY PRIOR REDEMPTION DATE OR MAY DEPOSIT THE PROCEEDS OR OTHER
10 MONEY IN TRUST TO USE TO PURCHASE AND DEPOSIT IN TRUST DIRECT
11 OBLIGATIONS OF THE UNITED STATES, DIRECT NONCALLABLE AND
12 NONPREPAYABLE OBLIGATIONS THAT ARE UNCONDITIONALLY GUARANTEED BY
13 THE UNITED STATES GOVERNMENT AS TO FULL AND TIMELY PAYMENT OF
14 PRINCIPAL AND INTEREST, NONCALLABLE AND NONPREPAYABLE COUPONS FROM
15 THOSE OBLIGATIONS THAT ARE STRIPPED PURSUANT TO UNITED STATES
16 TREASURY PROGRAMS, AND RESOLUTION FUNDING CORPORATION BONDS AND
17 STRIPS, THE PRINCIPAL AND INTEREST ON WHICH WHEN DUE, TOGETHER WITH
18 OTHER AVAILABLE MONEY, WILL PROVIDE FUNDS SUFFICIENT TO PAY
19 PRINCIPAL, INTEREST, AND REDEMPTION PREMIUMS, IF ANY, ON THE
20 REFUNDED OUTSTANDING BONDS AS THE REFUNDED OUTSTANDING BONDS BECOME
21 DUE, WHETHER BY MATURITY OR ON A PRIOR REDEMPTION DATE, AS PROVIDED
22 IN THE AUTHORIZING RESOLUTION.

23 (15) A COMMUNITY COLLEGE DISTRICT IS AUTHORIZED TO PAY ALL OR
24 PART OF THE COSTS OF NEW JOBS TRAINING PROGRAMS OUT OF FUNDS OF THE
25 COMMUNITY COLLEGE DISTRICT, INCLUDING SELF-FUNDING METHODS. THE USE
26 OF FUNDS OF THE COMMUNITY COLLEGE DISTRICT AND SELF-FUNDING METHODS
27 TO PAY THE COSTS OF NEW JOBS TRAINING PROGRAMS SHALL BE CONSIDERED

Senate Bill No. 1342 (H-1) as amended November 13, 2008

1 AN AUTHORIZED EXPENDITURE OF PUBLIC FUNDS AND SHALL NOT BE
2 CONSTRUED AS AN INVESTMENT.

3 (16) A COMMUNITY COLLEGE DISTRICT SHALL NOT AUTHORIZE, ISSUE,
4 OR SELL ANY NEW JOBS TRAINING REVENUE BONDS AFTER DECEMBER 31,
5 2018.

6 SEC. 165. BONDS AND NOTES ISSUED BY A COMMUNITY COLLEGE
7 DISTRICT UNDER THIS CHAPTER AND THE INTEREST ON AND INCOME FROM
8 THOSE BONDS AND NOTES ARE EXEMPT FROM TAXATION BY THIS STATE OR A
9 POLITICAL SUBDIVISION OF THIS STATE.

10 SEC. 166. THE AGGREGATE OUTSTANDING OBLIGATION OF ALL
11 AGREEMENTS ENTERED INTO UNDER THIS CHAPTER SHALL NOT EXCEED
12 \$50,000,000.00 IN ANY CALENDAR YEAR. IN ANY CALENDAR YEAR, THE SUM
13 OF THE AGGREGATE AMOUNT OF THE OUTSTANDING OBLIGATIONS OF ALL
14 AGREEMENTS ENTERED INTO UNDER THIS CHAPTER, PLUS THE AGGREGATE
15 AMOUNT OF SIMILAR OUTSTANDING OBLIGATIONS OF ALL AGREEMENTS ENTERED
16 INTO UNDER SECTION 88R OF THE MICHIGAN STRATEGIC FUND ACT, 1984 PA
17 270, MCL 125.2088R, SHALL NOT EXCEED \$50,000,000.00.

18 Enacting section 1. This amendatory act does not take effect
19 unless [House Bill No. 6185 of the 94th Legislature is enacted into law.

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