

SENATE BILL No. 1342

May 27, 2008, Introduced by Senators JANSEN, THOMAS, VAN WOERKOM, RICHARDVILLE and GILBERT and referred to the Committee on Commerce and Tourism.

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:

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TITLE

An act to revise and consolidate the laws relating to community colleges; to provide for the creation of community college districts; to provide a charter for such districts; to provide for the government, control and administration of such districts; to provide for the election of a board of trustees; to define the powers and duties of the board of trustees; to provide for the assessment, levy, collection and return of taxes therefor;

1 TO AUTHORIZE COMMUNITY COLLEGE DISTRICTS TO OPERATE A NEW JOBS
2 TRAINING PROGRAM, ENTER INTO CERTAIN TRAINING AGREEMENTS, AND ISSUE
3 BONDS TO FINANCE THE TRAINING PROGRAM; to prescribe penalties and
4 provide remedies; and to repeal acts and parts of acts.

5 PART 2

6 CHAPTER 13

7 NEW JOBS TRAINING PROGRAMS

8 SEC. 161. AS USED IN THIS CHAPTER:

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

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

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

16 (D) "NEW JOB" MEANS A JOB IN THIS STATE IN A NEW, EXISTING, OR
17 EXPANDING BUSINESS OF AN EMPLOYER, BUT DOES NOT INCLUDE A JOB OF A
18 RECALLED WORKER, A REPLACEMENT JOB, OR ANY OTHER JOB THAT EXISTED
19 IN THE EMPLOYER'S BUSINESS WITHIN THE 1-YEAR PERIOD PRECEDING THE
20 DATE OF AN AGREEMENT.

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

23 (F) "NEW JOBS TRAINING PROGRAM" OR "PROGRAM" MEANS THE PROJECT
24 OR PROJECTS ESTABLISHED BY A COMMUNITY COLLEGE DISTRICT FOR THE
25 CREATION OF JOBS BY PROVIDING EDUCATION AND TRAINING OR RETRAINING
26 OF WORKERS FOR NEW JOBS.

27 (G) "PROGRAM COSTS" MEAN ALL NECESSARY AND INCIDENTAL COSTS OF

1 PROVIDING PROGRAM SERVICES.

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

4 (i) TRAINING OR RETRAINING FOR NEW JOBS.

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

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

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

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

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

10 (vii) SUBCONTRACTED SERVICES WITH PUBLIC UNIVERSITIES AND
11 COLLEGES IN THIS STATE, PRIVATE COLLEGES OR UNIVERSITIES, OR ANY
12 FEDERAL, STATE, OR LOCAL DEPARTMENTS OR AGENCIES.

13 (viii) CONTRACTED OR PROFESSIONAL SERVICES.

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

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

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

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

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

4 (D) SHALL PROVIDE THAT IF THE AMOUNT RECEIVED FROM THE NEW
5 JOBS CREDIT FROM WITHHOLDING IS INSUFFICIENT TO PAY PROGRAM COSTS,
6 THE EMPLOYER AGREES TO PROVIDE MONEY, AT LEAST QUARTERLY, TO MAKE
7 UP THE SHORTFALL, SO THAT THE COMMUNITY COLLEGE DISTRICT RECEIVES
8 FOR EACH QUARTER THE MINIMUM AMOUNT OF NEW JOBS CREDIT FROM
9 WITHHOLDING THAT IS PROVIDED IN THE AGREEMENT.

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

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

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

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

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

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

6 SEC. 163. (1) IF ANY PART OF THE PROGRAM COSTS OF A NEW JOBS
7 TRAINING PROGRAM ARE TO BE PAID FROM RECEIPT OF MONEY FROM A NEW
8 JOBS CREDIT FROM WITHHOLDING, THE AGREEMENT SHALL CONTAIN ALL OF
9 THE FOLLOWING PROVISIONS:

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

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

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

25 (D) THAT THE COMMUNITY COLLEGE DISTRICT MAY IRREVOCABLY PLEDGE
26 THE NEW JOBS CREDIT FROM WITHHOLDING, AND THE SPECIAL FUND INTO
27 WHICH THE WITHHOLDINGS ARE PAID, FOR THE PAYMENT OF THE PRINCIPAL

1 OF AND INTEREST ON BONDS ISSUED BY A COMMUNITY COLLEGE DISTRICT TO
2 FINANCE OR REFINANCE THE PROJECT IN WHOLE OR IN PART.

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

8 (F) ANY OTHER PROVISIONS REQUIRED BY THE COMMUNITY COLLEGE
9 DISTRICT.

10 (2) AT THE END OF EACH CALENDAR QUARTER, A COMMUNITY COLLEGE
11 DISTRICT RECEIVING MONEY FROM A NEW JOBS CREDIT FROM WITHHOLDING
12 SHALL CERTIFY TO THE DEPARTMENT OF TREASURY THE AMOUNT OF NEW JOBS
13 CREDIT FROM WITHHOLDING EACH EMPLOYER WITH WHICH THE COMMUNITY
14 COLLEGE DISTRICT HAS AN AGREEMENT HAS REMITTED TO THE COMMUNITY
15 COLLEGE DISTRICT IN THAT CALENDAR QUARTER.

16 (3) BY APRIL 1 OF EACH YEAR, EACH COMMUNITY COLLEGE DISTRICT
17 THAT RECEIVED MONEY FROM A NEW JOBS CREDIT FROM WITHHOLDING IN THE
18 PRECEDING CALENDAR YEAR SHALL PROVIDE ALL OF THE FOLLOWING
19 INFORMATION TO THE DEPARTMENT OF TREASURY FOR THE PRECEDING
20 CALENDAR YEAR:

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

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

26 (C) THE AMOUNT OF MONEY FROM A NEW JOBS CREDIT FROM
27 WITHHOLDING EACH EMPLOYER DESCRIBED IN SUBDIVISION (B) HAS REMITTED

1 TO THE COMMUNITY COLLEGE DISTRICT.

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

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

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

8 (G) THE NUMBER OF INDIVIDUALS WHO ENTERED A PROGRAM AT THE
9 COMMUNITY COLLEGE DISTRICT IN THE CALENDAR YEAR; WHO COMPLETED THE
10 PROGRAM IN THE CALENDAR YEAR; AND WHO WERE ENROLLED IN A PROGRAM AT
11 THE END OF THE CALENDAR YEAR.

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

14 (I) ANY OTHER INFORMATION REASONABLY REQUESTED BY THE
15 DEPARTMENT OF TREASURY.

16 SEC. 164. (1) SUBJECT TO SUBSECTION (16), BY RESOLUTION OF ITS
17 BOARD OF TRUSTEES, A COMMUNITY COLLEGE DISTRICT MAY AUTHORIZE,
18 ISSUE, AND SELL ITS NEW JOBS TRAINING REVENUE BONDS IN ANTICIPATION
19 OF PAYMENTS TO BE RECEIVED PURSUANT TO AN AGREEMENT, SUBJECT TO THE
20 REQUIREMENTS OF THIS CHAPTER, TO FINANCE COSTS OF NEW JOBS TRAINING
21 PROGRAMS AND TO PAY COSTS OF ISSUING THOSE BONDS. THE BONDS SHALL
22 BE PAYABLE IN THE MANNER AND ON THE TERMS AND CONDITIONS
23 DETERMINED, OR WITHIN THE PARAMETERS SPECIFIED, BY THE BOARD IN THE
24 RESOLUTION AUTHORIZING ISSUANCE OF THE BONDS. THE RESOLUTION
25 AUTHORIZING THE BONDS SHALL CREATE A LIEN ON THE RECEIPTS FROM NEW
26 JOBS CREDIT FROM WITHHOLDING TO BE RECEIVED BY THE COMMUNITY
27 COLLEGE DISTRICT PURSUANT TO AN AGREEMENT OR AGREEMENTS THAT SHALL

1 BE A STATUTORY LIEN AND SHALL BE A FIRST LIEN SUBJECT ONLY TO LIENS
2 PREVIOUSLY CREATED. AS ADDITIONAL SECURITY, IN THE RESOLUTION
3 AUTHORIZING THE BONDS, THE BOARD OF TRUSTEES MAY ALSO PLEDGE THE
4 LIMITED TAX FULL FAITH AND CREDIT OF THE DISTRICT AND MAY AUTHORIZE
5 AND ENTER INTO AN INSURANCE CONTRACT, AGREEMENT FOR LINES OF
6 CREDIT, LETTER OF CREDIT, COMMITMENT TO PURCHASE OBLIGATIONS,
7 REMARKETING AGREEMENT, REIMBURSEMENT AGREEMENT, TENDER AGREEMENT,
8 OR ANY OTHER TRANSACTION NECESSARY TO PROVIDE SECURITY TO ASSURE
9 TIMELY PAYMENT OF ANY BONDS.

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

23 (3) A COMMUNITY COLLEGE DISTRICT MAY ISSUE BONDS DESCRIBED IN
24 SUBSECTION (1) WITH RESPECT TO A SINGLE PROJECT OR MULTIPLE
25 PROJECTS AS DETERMINED BY THE BOARD OF TRUSTEES IN THE RESOLUTION
26 AUTHORIZING THE ISSUANCE OF THE BONDS. THE BOARD OF TRUSTEES MAY
27 DETERMINE TO SELL THE BONDS IN CONJUNCTION WITH THE SALE OF BONDS

1 BY ANOTHER COMMUNITY COLLEGE DISTRICT.

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

6 (A) PLEDGING ALL OR ANY PART OF ANY FEES OR AVAILABLE FUNDS OF
7 THE COMMUNITY COLLEGE DISTRICT, OR OTHER MONEY RECEIVED OR TO BE
8 RECEIVED, TO SECURE THE PAYMENT OF THE BONDS OR OF ANY ISSUE OF
9 BONDS, AND SUBJECT TO ANY AGREEMENTS WITH BONDHOLDERS AS MAY THEN
10 EXIST.

11 (B) PLEDGING ALL OR ANY PART OF THE ASSETS OF THE COMMUNITY
12 COLLEGE DISTRICT, INCLUDING MORTGAGES AND OBLIGATIONS SECURING THE
13 ASSETS, TO SECURE THE PAYMENT OF THE BONDS OR OF ANY ISSUE OF
14 BONDS, SUBJECT TO ANY AGREEMENTS WITH BONDHOLDERS AS MAY THEN
15 EXIST.

16 (C) THE SETTING ASIDE OF RESERVES OR SINKING FUNDS AND THE
17 REGULATION AND DISPOSITION OF RESERVES OR SINKING FUNDS.

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

21 (E) LIMITATIONS ON THE ISSUANCE OF ADDITIONAL BONDS; THE TERMS
22 ON WHICH ADDITIONAL BONDS MAY BE ISSUED AND SECURED; AND THE
23 REFUNDING OF OUTSTANDING OR OTHER BONDS.

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

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

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

6 (I) DELEGATING TO AN OFFICER OR OTHER EMPLOYEE OF THE
7 COMMUNITY COLLEGE DISTRICT, OR AN AGENT DESIGNATED BY THE COMMUNITY
8 COLLEGE DISTRICT, THE POWER TO CAUSE THE ISSUE, SALE, AND DELIVERY
9 OF THE BONDS WITHIN LIMITS ON THOSE BONDS ESTABLISHED BY THE
10 COMMUNITY COLLEGE DISTRICT CONCERNING ANY OF THE FOLLOWING:

11 (i) THE FORM OF THE BONDS.

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

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

14 (iv) THE PURCHASE PRICE OF THE BONDS.

15 (v) THE DENOMINATIONS OF THE BONDS.

16 (vi) THE REDEMPTION PREMIUMS OF THE BONDS.

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

18 (viii) ANY OTHER TERMS AND CONDITIONS CONCERNING ISSUANCE OF THE
19 BONDS PRESCRIBED BY THE BOARD OF TRUSTEES OF THE COMMUNITY COLLEGE
20 DISTRICT.

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

24 (A) THE PLEDGE IS VALID AND BINDING FROM THE TIME WHEN THE
25 PLEDGE IS MADE.

26 (B) THE MONEY OR OTHER ASSETS PLEDGED ARE IMMEDIATELY SUBJECT
27 TO THE LIEN OF THE PLEDGE WHEN RECEIVED, WITHOUT ANY PHYSICAL

1 DELIVERY OF THE MONEY OR ASSETS OR ANY FURTHER ACT.

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

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

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

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

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

23 (B) IF THE BONDS ARE NOT REDEEMABLE AT THE TIME OF PURCHASE,
24 THE REDEMPTION PRICE APPLICABLE ON THE FIRST DATE AFTER THE
25 PURCHASE ON WHICH THE BONDS ARE REDEEMABLE, PLUS ACCRUED INTEREST
26 TO THAT DATE.

27 (8) BONDS ISSUED UNDER THIS SECTION ARE NOT SUBJECT TO THE

1 REVISED MUNICIPAL FINANCE ACT, 2001 PA 34, MCL 141.2101 TO
2 141.2821, EXCEPT THAT BONDS ISSUED UNDER THIS SECTION ARE SUBJECT
3 TO THE MAXIMUM RATE PERMITTED UNDER SECTION 305 OF THE REVISED
4 MUNICIPAL FINANCE ACT, 2001 PA 34, MCL 141.2305.

5 (9) THE ISSUANCE OF BONDS UNDER THIS SECTION IS SUBJECT TO THE
6 AGENCY FINANCING REPORTING ACT, 2002 PA 470, MCL 129.171 TO
7 129.177.

8 (10) BONDS ISSUED UNDER THIS SECTION SHALL NOT BE CONSIDERED
9 TO BE WITHIN ANY LIMITATION OF OUTSTANDING DEBT LIMIT APPLICABLE TO
10 THE COMMUNITY COLLEGE DISTRICT, INCLUDING ANY LIMITATION CONTAINED
11 IN SECTION 122, BUT SHALL BE CONSIDERED AS AUTHORIZED IN ADDITION
12 TO ANY LIMITATION OF OUTSTANDING DEBT LIMIT APPLICABLE TO THE
13 COMMUNITY COLLEGE DISTRICT.

14 (11) BY RESOLUTION OF ITS BOARD OF TRUSTEES, A COMMUNITY
15 COLLEGE DISTRICT MAY REFUND ALL OR ANY PART OF ITS OUTSTANDING
16 BONDS ISSUED UNDER THIS SECTION BY ISSUING REFUNDING BONDS. A
17 COMMUNITY COLLEGE DISTRICT MAY ISSUE REFUNDING BONDS WHETHER THE
18 OUTSTANDING BONDS TO BE REFUNDED HAVE OR HAVE NOT MATURED, ARE OR
19 ARE NOT REDEEMABLE ON THE DATE OF ISSUANCE OF THE REFUNDING BONDS,
20 OR ARE OR ARE NOT SUBJECT TO REDEMPTION BEFORE MATURITY.

21 (12) A COMMUNITY COLLEGE DISTRICT MAY ISSUE REFUNDING BONDS
22 UNDER SUBSECTION (11) IN A PRINCIPAL AMOUNT GREATER THAN THE
23 PRINCIPAL AMOUNT OF THE OUTSTANDING BONDS TO BE REFUNDED IF
24 NECESSARY TO EFFECT THE REFUNDING UNDER THE REFUNDING PLAN.

25 (13) A COMMUNITY COLLEGE DISTRICT MAY USE THE PROCEEDS OF
26 REFUNDING BONDS ISSUED UNDER SUBSECTION (11) TO PAY INTEREST
27 ACCRUED, OR TO ACCRUE, TO THE EARLIEST OR ANY SUBSEQUENT DATE OF

1 REDEMPTION, PURCHASE, OR MATURITY OF THE OUTSTANDING BONDS TO BE
2 REFUNDED, REDEMPTION PREMIUM, IF ANY, AND ANY COMMISSION, SERVICE
3 FEE, AND OTHER EXPENSE NECESSARY TO BE PAID IN CONNECTION WITH THE
4 OUTSTANDING BONDS TO BE REFUNDED. A COMMUNITY COLLEGE DISTRICT MAY
5 ALSO USE THE PROCEEDS OF REFUNDING BONDS TO PAY PART OF THE COST OF
6 ISSUANCE OF THE REFUNDING BONDS, INTEREST ON THE REFUNDING BONDS, A
7 RESERVE FOR THE PAYMENT OF PRINCIPAL, INTEREST, AND REDEMPTION
8 PREMIUMS ON THE REFUNDING BONDS, AND OTHER NECESSARY INCIDENTAL
9 EXPENSES, INCLUDING, BUT NOT LIMITED TO, PLACEMENT FEES AND FEES OR
10 CHARGES FOR INSURANCE, LETTERS OF CREDIT, LINES OF CREDIT, OR
11 COMMITMENTS TO PURCHASE THE OUTSTANDING BONDS TO BE REFUNDED.

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

1 DUE, WHETHER BY MATURITY OR ON A PRIOR REDEMPTION DATE, AS PROVIDED
2 IN THE AUTHORIZING RESOLUTION.

3 (15) A COMMUNITY COLLEGE DISTRICT IS AUTHORIZED TO PAY ALL OR
4 PART OF THE COSTS OF NEW JOBS TRAINING PROGRAMS OUT OF FUNDS OF THE
5 COMMUNITY COLLEGE DISTRICT, INCLUDING SELF-FUNDING METHODS. THE USE
6 OF FUNDS OF THE COMMUNITY COLLEGE DISTRICT AND SELF-FUNDING METHODS
7 TO PAY THE COSTS OF NEW JOBS TRAINING PROGRAMS SHALL BE CONSIDERED
8 AN AUTHORIZED EXPENDITURE OF PUBLIC FUNDS AND SHALL NOT BE
9 CONSTRUED AS AN INVESTMENT.

10 (16) A COMMUNITY COLLEGE DISTRICT SHALL NOT AUTHORIZE, ISSUE,
11 OR SELL ANY NEW JOBS TRAINING REVENUE BONDS AFTER DECEMBER 31,
12 2018.

13 SEC. 165. BONDS AND NOTES ISSUED BY A COMMUNITY COLLEGE
14 DISTRICT UNDER THIS CHAPTER AND THE INTEREST ON AND INCOME FROM
15 THOSE BONDS AND NOTES ARE EXEMPT FROM TAXATION BY THIS STATE OR A
16 POLITICAL SUBDIVISION OF THIS STATE.

17 SEC. 166. THE AGGREGATE OUTSTANDING OBLIGATION OF ALL
18 AGREEMENTS ENTERED INTO UNDER THIS CHAPTER SHALL NOT EXCEED
19 \$50,000,000.00 IN ANY CALENDAR YEAR.

20 Enacting section 1. This amendatory act does not take effect
21 unless Senate Bill No. 1343

22 of the 94th Legislature is enacted into law.