

HOUSE BILL No. 5470

November 28, 2007, Introduced by Reps. Caswell and Stahl and referred to the Committee on Education.

A bill to amend 1931 PA 327, entitled

"An act to provide for the organization, regulation and classification of corporations; to provide their rights, powers and immunities; to prescribe the conditions on which corporations may exercise their powers; to provide for the inclusion of certain existing corporations within the provisions of this act; to prescribe the terms and conditions upon which foreign corporations may be admitted to do business within this state; to require certain annual reports to be filed by corporations; to prescribe penalties for the violations of the provisions of this act; and to repeal certain acts and parts of acts relating to corporations,"

by amending section 184a (MCL 450.184a), as added by 2006 PA 420.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 184a. (1) An ecclesiastical corporation that ~~meets all of~~
2 ~~the following criteria~~ **WAS INCORPORATED UNDER THIS ACT BEFORE**
3 **JANUARY 1, 2009** may organize and operate a religious college under
4 this section. +

5 ~~— (a) The ecclesiastical corporation was incorporated under this~~

1 ~~act before January 1, 2007.~~

2 ~~—— (b) At the time it organizes the religious college, according~~
3 ~~to the most recent federal decennial census, the ecclesiastical~~
4 ~~corporation is located in a county with a population of more than~~
5 ~~17,500 and fewer than 23,500 residents.~~

6 (2) A religious college organized and operated under this
7 section must meet all of the following criteria:

8 (a) The religious college is organized and operated by an
9 ecclesiastical corporation as a division of the ecclesiastical
10 corporation and is not separately incorporated.

11 (b) The religious college began operating before January 1,
12 ~~2007–2009.~~

13 (c) The ecclesiastical corporation retains control of the
14 religious college for denominational purposes.

15 (d) The religious college has an academic advisory board to
16 assist the religious college in the development of its educational
17 programs. The board shall consist of at least 4 individuals,
18 appointed by the ecclesiastical corporation, who represent similar
19 religious colleges located in the United States.

20 (e) The religious college offers postsecondary educational
21 programs that are solely designed for, directed toward, and
22 attended by students who seek to learn the particular religious
23 faith or beliefs of the ecclesiastical corporation.

24 (f) The sole purposes of the educational programs of the
25 religious college are to prepare students for ordination or
26 appointment as a member of the clergy of a church, denomination, or
27 religious association, order, or sect or to enter into other

1 vocations directly related to the particular faith of the
2 ecclesiastical corporation.

3 (g) The religious college does not offer general or liberal
4 arts educational programs or any other postsecondary educational
5 programs other than those described in this subsection.

6 (3) All of the following apply to the name of a religious
7 college organized and operated by an ecclesiastical corporation
8 under this section:

9 (a) The ecclesiastical corporation may use the word "college"
10 in the name of the religious college. However, immediately
11 following the name of the religious college, the ecclesiastical
12 corporation shall clearly and prominently indicate on any signs,
13 official school publications, letterhead, business cards, websites,
14 or other similar written documents that include the name of the
15 religious college that the religious college is a division of the
16 ecclesiastical corporation.

17 (b) If the ecclesiastical corporation uses the word "college"
18 in the name of the religious college, it shall provide a copy of
19 each certificate of assumed name filed by the ecclesiastical
20 corporation with the department of labor and economic growth for
21 the name of the religious college to the bureau of career education
22 within the department of labor and economic growth.

23 (4) Subject to subsection (5), a religious college may award 1
24 of the following degrees to a student of the religious college who
25 satisfactorily completes a course of study prescribed by the
26 ecclesiastical corporation for that degree:

27 (a) If the course of study requires at least 60 semester hours

1 or equivalent of study, an associate of biblical studies, an
2 associate of religious studies, an associate of theology, an
3 associate of church administration, or another substantially
4 similar associate degree that does not include the word "arts",
5 "science", "business", or "applied".

6 (b) If the course of study requires at least 120 semester
7 hours or equivalent of study, a bachelor of biblical studies, a
8 bachelor of religious studies, a bachelor of theology, or another
9 substantially similar bachelor's degree that does not include the
10 word "arts", "science", "business", or "applied".

11 (c) If the course of study requires a bachelor's degree and at
12 least 30 additional semester hours or equivalent of study, a master
13 of theology, a master of biblical studies, a master of religious
14 studies, or another substantially similar master's degree that does
15 not include the word "arts", "science", "business", or "applied".

16 (d) If the course of study requires a bachelor's degree and at
17 least 90 additional semester hours or equivalent of study,
18 including, but not limited to, dissertation credits or research
19 study, a doctor of theology, a doctor of biblical studies, a doctor
20 of religious studies, or another substantially similar doctoral
21 degree that does not include the word "arts", "science",
22 "business", or "applied".

23 (5) A religious college shall clearly and prominently state
24 all of the following on a student's diploma, certificate of
25 graduation, transcript, or any other document prepared by or
26 provided by the religious college to establish or verify that the
27 student had attended the religious college or completed a course of

1 study at the religious college:

2 (a) For a degree awarded by the religious college, the name of
3 the degree, including the religious limitation on that degree
4 required under subsection (4). A religious limitation required for
5 a degree title under subsection (4) shall immediately precede or be
6 part of the degree title wherever the degree title appears in the
7 diploma or other document.

8 (b) That the religious college is not licensed, approved, or
9 otherwise endorsed by the state of Michigan.

10 (c) For any document described in this subsection other than a
11 diploma, that the state of Michigan does not guarantee that any of
12 the degrees or credits granted by the religious college will be
13 recognized by any organization for any purpose.

14 (6) A diploma, certificate of graduation, or other evidence of
15 attendance at a religious college entitles the lawful recipient to
16 all the privileges and immunities that by custom or usage are
17 allowed to holders of similar diplomas or certificates granted by
18 similar institutions in this country. However, if an occupation or
19 profession is regulated by statute as to the requirements and
20 qualifications necessary to the practice of that occupation or
21 profession, the diploma or certificate of graduation does not
22 entitle the recipient to any privilege or immunity if those
23 statutory requirements or qualifications are not complied with.

24 (7) An ecclesiastical corporation is not required to obtain
25 the approval of or a license from the department of labor and
26 economic growth to operate a religious college under this section
27 in this state and the operation of the religious college and its

1 educational programs are not subject to the supervision of that
2 department. However, if an ecclesiastical corporation does not
3 obtain the approval of or a license from the department of labor
4 and economic growth to operate a religious college, the
5 ecclesiastical corporation shall clearly and prominently print a
6 disclaimer on all of its application materials, course catalogs,
7 brochures, websites, and other similar publications that states all
8 of the following:

9 (a) The religious college is a division of the ecclesiastical
10 corporation.

11 (b) The educational programs offered by the religious college
12 are solely designed for, directed toward, and attended by students
13 preparing for ordination or appointment as a member of the clergy
14 of a church, denomination, or religious association, order, or sect
15 or preparing to enter into another vocation directly related to the
16 particular faith of the ecclesiastical corporation.

17 (c) The religious college is not licensed, approved, or
18 otherwise endorsed by the state of Michigan and that the state of
19 Michigan does not guarantee that any of the degrees or credits
20 granted by the religious college will be recognized by any
21 organization for any purpose.

22 (8) In any application materials, course catalogs, brochures,
23 websites, or other publications made available by the religious
24 college, the religious college shall include the religious
25 limitation on that degree required under subsection (4), either
26 immediately preceding or as part of the degree title, wherever the
27 degree title appears in the document or publication.

1 (9) Every 2 years, an ecclesiastical corporation organizing or
2 operating a religious college shall submit a sworn affidavit to the
3 department of labor and economic growth that certifies that the
4 religious college complies with the requirements of this section
5 and includes all of the following:

6 (a) The name of the religious college. The name stated in the
7 affidavit must comply with subsection (3).

8 (b) A statement that the religious college offers only
9 educational programs designed for, directed toward, and attended by
10 students preparing for ordination or appointment as a member of the
11 clergy of a church, denomination, or religious association, order,
12 sect, or preparing to enter into another vocation directly related
13 to the particular faith of the ecclesiastical corporation.

14 (c) A statement that each diploma, certificate of graduation,
15 transcript, or other document described in subsection (5) prepared
16 or provided by the religious college complies with that subsection.

17 (d) A statement that each document provided or publication
18 made available by the religious college under subsection (8)
19 complies with that subsection.

20 (e) A statement that the religious college does not accept
21 state or federal assistance for its educational programs and does
22 not accept students who are receiving state or federal financial
23 aid under any higher education loan, grant, or scholarship program.

24 (10) An ecclesiastical corporation organizing or operating a
25 religious college shall annually provide the department with a
26 surety bond that meets all of the following:

27 (a) It is conditioned to provide indemnification to any

1 student suffering loss because of inability to complete an
2 educational program at the religious college due to the closing of
3 the religious college.

4 (b) It expires on June 30 following the date of issuance and
5 the ecclesiastical corporation shall submit proof of renewal for an
6 additional 1-year period to the department of labor and economic
7 growth before the date of expiration.

8 (c) The amount of the security bond is 1 of the following,
9 whichever is higher:

10 (i) An amount determined by multiplying the number of students
11 enrolled in the religious college by \$200.00.

12 (ii) The amount of \$5,000.00.

13 (11) An ecclesiastical corporation operating a religious
14 college that is in compliance with the requirements of this section
15 is authorized to conduct business as a religious college and offer
16 postsecondary educational programs in this state.