

COMMUNITY COLLEGE ACT OF 1966 (EXCERPT)
Act 331 of 1966

PART 2

CHAPTER 11

GENERAL POWERS AND DUTIES OF DISTRICTS

389.101 Community college districts; provisions governing.

Sec. 101. Each community college district shall be subject to and governed by the provisions of part 2 except as to those matters which are specifically or by necessary implication provided for in the particular chapter relative to the class or kind of community college district to which the district belongs.

History: 1966, Act 331, Eff. Oct. 1, 1966.

389.103 Community college as corporate entity.

Sec. 103. (1) A community college district is a body corporate and may sue and be sued, and may take, condemn, use, hold, sell, lease, and convey real property without restriction as to location and personal property including property received by gift, devise, or bequest, as the interest of the community college district may require. A community college district is presumed to have been legally organized if it has exercised the franchises and privileges of a community college district for a period of at least 2 years; and such a community college district and its trustees are entitled to all rights, privileges, and immunities, and are subject to all duties and liabilities conferred upon community college districts by law.

(2) In addition to the powers expressly stated in this act, a community college district and its board of trustees may exercise a power implied by or incident to any of its powers expressly stated in this act and, except as otherwise provided by law, may exercise a power incidental or appropriate to the performance of any function related to operation of the community college district in the interests of educational and other programs and services offered by the community college district.

History: 1966, Act 331, Eff. Oct. 1, 1966;—Am. 1997, Act 135, Imd. Eff. Nov. 17, 1997.

389.105 Definitions.

Sec. 105. As used in this act:

(a) "Area", in the term "area vocational-technical education program", means the geographical territory of the district, and any territory outside of the district that is designated as the service area of the district by the superintendent of public instruction. A community college is eligible to receive state aid and assistance appropriated by the legislature for the aid and support of junior colleges or community colleges.

(b) "Area vocational-education program" means a program of organized systematic instruction designed to prepare the following individuals for useful employment in recognized occupations:

(i) An individual who has completed or left high school and who is available for full-time study in preparation for entering the labor market.

(ii) An individual who has already entered the labor market and who needs training to achieve stability or advancement in employment.

(iii) An individual enrolled in high school. If a program or course is provided for an individual enrolled in high school, the superintendent of the school district in which the individual is enrolled or his or her designated representative shall request that the program or course be provided to the individual.

(c) "Community college" means an educational institution providing collegiate and noncollegiate level education primarily to individuals above the twelfth grade age level within commuting distance. The term includes an area vocational-technical education program that may result in the granting of an associate degree or other diploma or certificate. The term does not include an educational institution or program that grants baccalaureate or higher degrees other than a baccalaureate degree in cement technology, maritime technology, energy production technology, or culinary arts.

(d) "General election" or "general state election" means the term general election as defined in section 2 of the Michigan election law, MCL 168.2.

(e) "Michigan election law" means the Michigan election law, 1954 PA 116, MCL 168.1 to 168.992.

(f) "Regular election" means that term as defined in section 3 of the Michigan election law, MCL 168.3.

(g) "School district" means a school district, a local act school district, or an intermediate school district, as those terms are defined in the revised school code, 1976 PA 451, MCL 380.1 to 380.1852, or a community college district under this act.

(h) "School district filing official" means the school district election coordinator as defined in section 4 of the Michigan election law, MCL 168.4, or an authorized agent of the school district election coordinator.

(i) "Special election" means that term as defined in section 4 of the Michigan election law, MCL 168.4.

History: 1966, Act 331, Eff. Oct. 1, 1966;—Am. 2003, Act 306, Eff. Jan. 1, 2005;—Am. 2012, Act 495, Imd. Eff. Dec. 28, 2012.

Compiler's note: For transfer of certain powers and duties vested in the department of career development or its director, relating to powers and duties of state board of education or superintendent of public instruction to the department of labor and economic growth, see E.R.O. No. 2003-1, compiled at MCL 445.2011.

For transfer of powers of department of labor and economic growth regarding career and technical education program for secondary students to department of education by type II transfer, see E.R.O. No. 2007-1, compiled at MCL 388.998.

389.107 Administering, conducting, and canvassing election and special election.

Sec. 107. (1) An election under this act shall be called, administered, conducted, and canvassed as provided in this act and the Michigan election law.

(2) A special election under this act shall be held on a regular election day established under section 641 of the Michigan election law, MCL 168.641.

History: 1966, Act 331, Eff. Oct. 1, 1966;—Am. 2003, Act 306, Eff. Jan. 1, 2005.

389.109 Community college district; legal name.

Sec. 109. (1) Until changed by board resolution, every community college district shall have the legal name of "Community College District of" (the name of the county or counties when organized under chapter 1, the names of the component school districts when organized under chapter 2, or the name of the intermediate school district or districts when the community college district is organized under chapter 3).

(2) The board of any community college district by resolution may adopt a distinctive name for the community college district, which name, after being approved by the state board of education, shall be the legal name of the district for all purposes. The board in like manner may change the name of the district. The adoption of a distinctive name or the change in name of any district shall have no effect upon existing obligations incurred in the former name of the district or upon the district ownership of any real or personal property.

History: 1966, Act 331, Eff. Oct. 1, 1966.

389.111 Board of trustees; time, place, and notice of meetings; election and terms of officers; conducting business in compliance with open meetings act.

Sec. 111. (1) The first meeting of the board of trustees following the organizational election of a community college district shall be called by the secretary of the intermediate board of education of the county that has the highest valuation within the community college district. The meeting shall be held within 15 days following the statutory date on which the newly elected members take office, at a time and place designated by the secretary. Public notice of the time, date, and place of the meeting shall be given in the manner required by the open meetings act, 1976 PA 267, MCL 15.261 to 15.275.

(2) The organizational board meeting of a community college district operating under chapter 1, 2, or 3 shall be held at the first meeting of the board of trustees in January following the date of the regular community college election.

(3) At the first meeting of a first or succeeding board of trustees, the board shall elect a chairperson and a vice chairperson, who shall be members of the board of trustees, and a secretary and a treasurer, who need not be members of the board of trustees. The officers shall be elected for a term of 2 years, subject to change of officers by resolution of the board.

(4) The board shall conduct its business in compliance with the open meetings act, 1976 PA 267, MCL 15.261 to 15.275.

History: 1966, Act 331, Eff. Oct. 1, 1966;—Am. 1977, Act 248, Imd. Eff. Dec. 6, 1977;—Am. 1997, Act 135, Imd. Eff. Nov. 17, 1997;—Am. 2016, Act 374, Eff. Mar. 22, 2017.

389.112 Board of trustees; compensation; expenses.

Sec. 112. No member of the board of trustees except the secretary and treasurer may receive any compensation for any services rendered the district. Expenses of board members may be reimbursed when the expenses are authorized by the board of trustees.

History: 1966, Act 331, Eff. Oct. 1, 1966.

389.113 Board of trustees; quorum; vote required; conducting business at public meeting; record of meeting; availability of record to public; duties of chairperson, secretary, and treasurer.

Sec. 113. (1) A majority of the board of trustees is a quorum, but an act is not valid unless voted at a

meeting of the board by a majority vote of the members elect of the board and a proper record made of the vote. The business which the board may perform shall be conducted at a public meeting of the board held in compliance with Act No. 267 of the Public Acts of 1976. The trustees shall keep a written or printed record of each regular or special meeting of the board, which record shall be available to the public in compliance with Act No. 442 of the Public Acts of 1976, being sections 15.231 to 15.246 of the Michigan Compiled Laws.

(2) The chairperson, secretary and treasurer shall perform those duties as may be provided by law and prescribed by the bylaws and rules of the board of trustees not inconsistent with this act or the laws of this state.

History: 1966, Act 331, Eff. Oct. 1, 1966;—Am. 1977, Act 248, Imd. Eff. Dec. 6, 1977.

389.114 Board of trustees; bonds of officers and employees.

Sec. 114. The treasurer and such other officers or employees as shall handle money on behalf of the community college district shall first secure a suitable bond from a responsible bonding company, which bond shall be paid for by the board of trustees.

History: 1966, Act 331, Eff. Oct. 1, 1966.

389.121 Board of trustees; general powers.

Sec. 121. The board of trustees of the community college district has the power to make plans for, to promote, or to acquire, construct, own, develop, maintain, and operate a community college and an area vocational-technical education program. The board of trustees may do all of the following:

(a) Locate, acquire, purchase, or lease in the name of the community college district a site or sites within or without the territory of the community college district for college buildings, libraries, agricultural farms, athletic fields, playgrounds, stadiums, gymnasiums, auditoriums, parking areas, residence halls, and supporting facilities as may be necessary; purchase, lease, acquire, erect or build and equip buildings, structures, and other improvements for college or area vocational-technical education buildings, libraries, agricultural farms, athletic fields, playgrounds, stadiums, gymnasiums, auditoriums, parking areas, residence halls, and supporting facilities as may be necessary; enter into installment purchase contracts for real or personal property; pay for real or personal property out of the funds of the community college district provided for that purpose; sell or exchange any real or personal property of the community college district that is no longer required for school purposes, and give proper deeds, bills of sale, or other instruments passing title to the real or personal property.

(b) Establish and carry on schools and departments or courses of study and other educational programs as may be consistent with the purposes of this act, and take over and succeed to the operation of a community college or vocational-technical department or departments previously operated by school districts within the community college district.

(c) Establish, equip, and maintain agricultural, trade, and other vocational-technical departments and have general control over them for community college or area vocational-technical program purposes.

(d) Establish education programs and grant a baccalaureate degree in cement technology, maritime technology, energy production technology, or culinary arts.

History: 1966, Act 331, Eff. Oct. 1, 1966;—Am. 1997, Act 135, Imd. Eff. Nov. 17, 1997;—Am. 2012, Act 495, Imd. Eff. Dec. 28, 2012.

389.122 Board of trustees; powers.

Sec. 122. The board of trustees may do all of the following:

(a) Borrow, subject to the provisions of the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821, for community college purposes, including capital expenditures, money on the terms it considers desirable and give notes of the district for those purposes. If a newly organized community college district borrows in anticipation of the collection of the first tax levy of the district, the loan shall not exceed 50% of the estimated amount of the first tax levy.

(b) Borrow, subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821, money as it considers necessary and issue bonds of the community college district, to purchase sites for buildings, playgrounds, athletic fields, or agricultural farms; to purchase or erect and equip any building or buildings that it is authorized to purchase and erect; or to make any permanent improvement that it is authorized to make. The board shall not make a loan or issue bonds for any sum that, together with the total outstanding bonded indebtedness of the district, including bonds voted but not issued, exceeds the total of 1-1/2% of the first \$250,000,000.00 plus 1% of the excess over \$250,000,000.00 of the last confirmed state equalized valuation of all taxable property in the district unless the proposition of making the loan or of issuing bonds is submitted first to a vote of the qualified electors of the district, at a regular or special election, and approved

by the majority of the electors voting at the election, in which event the board may make a loan or issue bonds in an amount that does not exceed 15% of the total taxable value of the district.

(c) Provide for the acquisition or financing of energy conservation and operational improvements to be made to community college facilities or infrastructure and pay for the improvements or the financing or refunding of the improvements from operating funds of the district or from the savings that result from the energy conservation and operational improvements. Energy conservation and operational improvements may include, but are not limited to, heating, ventilating, or air-conditioning system improvements, fenestration improvements, roof improvements, the installation of any insulation, the installation or repair of heating, ventilating, or air-conditioning controls, entrance or exit way closures, information technology improvements associated with an energy conservation and operational improvement, and municipal utility improvements associated with an energy conservation and operational improvement. The board of trustees may acquire, finance, or refund 1 or more energy conservation and operational improvements by installment contract, which may include a lease-purchase agreement described in this subdivision, or may borrow money and issue notes for the purpose of securing funds for the improvements or may enter into contracts in which the cost of the energy conservation and operational improvements is paid from a portion of the savings that result from the energy conservation and operational improvements. The term of an installment contract, a lease-purchase agreement described in this subdivision, or notes issued under this subdivision shall not exceed 20 years from the date of the final completion of the energy conservation and operational improvements or the useful life of the aggregate energy conservation and operational improvements, whichever is less. Notes issued under this subdivision are full faith and credit, tax limited obligations of the community college district, payable from tax levies and the general fund as pledged by the board of trustees. The notes are subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821. A lease-purchase agreement issued pursuant to this subsection shall not be subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821, and shall not be a municipal security or a debt as those terms are defined in that act. This subdivision does not limit in any manner the borrowing or bonding authority of a community college as provided by law. An installment contract described in this subdivision may include a lease-purchase agreement, which may be a multiyear contractual obligation that provides for automatic renewal unless positive action is taken by the board of trustees to terminate that contract. Payments under a lease-purchase agreement shall be a current operating expense subject to annual appropriations of funds by the board of trustees and shall obligate the board of trustees only for those sums payable during the fiscal year of contract execution or any renewal year thereafter. The board of trustees may make payments under a lease-purchase agreement from any legally available funds or from a combination of energy or operational savings, capital contributions, future replacement costs avoided, or billable revenue enhancements that result from energy conservation and operational improvements, provided that the board of trustees has determined that those funds are sufficient to cover, in aggregate over the full term of the contractual agreement, the cost of the energy conservation and operational improvements. The lease-purchase agreement will terminate immediately and absolutely and without further obligation on the part of the board of trustees at the close of the fiscal year in which it was executed or renewed or at such time as appropriated and otherwise unobligated funds are no longer available to satisfy the obligations of the board of trustees under the lease-purchase agreement. During the term of the lease-purchase agreement, the board of trustees shall be the vested owner of the energy conservation and operational improvements and may grant a security interest in the energy conservation and operational improvements to the provider of the lease-purchase agreement. Upon the termination of the lease-purchase agreement and the satisfaction of the obligations of the board of trustees, the provider of the lease-purchase agreement shall release its security interest in the energy conservation and operational improvements.

History: 1966, Act 331, Eff. Oct. 1, 1966;—Am. 1984, Act 148, Imd. Eff. June 25, 1984;—Am. 2002, Act 72, Imd. Eff. Mar. 15, 2002;—Am. 2003, Act 306, Eff. Jan. 1, 2005;—Am. 2014, Act 485, Imd. Eff. Jan. 13, 2015;—Am. 2017, Act 133, Eff. Jan. 24, 2018.

389.122a Energy conservation improvements; reports; forms.

Sec. 122a. (1) If energy conservation improvements are made as provided in section 122, the board of trustees shall report the following information to the Michigan public service commission within 60 days of the completion of the improvements:

(a) Name of each facility to which an improvement is made and a description of the conservation improvement.

(b) Actual energy consumption during the 12-month period before completion of the improvement.

(c) Project costs and expenditures.

(d) Estimated annual energy savings.

(2) If energy conservation improvements are made as provided in section 122, the board of trustees shall

report to the Michigan public service commission, by July 1 of each of the 5 years after the improvements are completed, only the actual annual energy consumption of each facility to which improvements are made. The forms for the reports required by this section shall be furnished by the Michigan public service commission.

History: Add. 1984, Act 148, Imd. Eff. June 25, 1984;—Am. 1990, Act 228, Imd. Eff. Oct. 8, 1990.

Compiler's note: For transfer of functions relating to energy policy from the Energy Administration, Department of Commerce, to the Public Service Commission, Department of Commerce, see E.R.O. No. 1986-4, compiled at MCL 460.901 of the Michigan Compiled Laws.

For transfer of powers and duties of the public service commission pertaining to energy conservation improvement reports from the public service commission to the state treasurer, see E.R.O. No. 1996-2, compiled at MCL 445.2001 of the Michigan Compiled Laws.

389.123 Board of trustees; powers.

Sec. 123. The board of trustees may:

(a) Have the care and custody of the community college property and provide suitable facilities, sanitary conditions, and medical inspection for the community college of the district.

(b) Establish and collect tuition and fees for resident and nonresident students. A waiver of tuition shall not be granted by the board, except:

(i) The board of trustees may waive tuition for a student participating in a reciprocal agreement for exchange of educational services, if the agreement is approved by the state board of education.

(ii) The board of trustees may waive tuition for a student who meets the admission requirements of the board and is 60 years of age or older.

(c) Establish and maintain or continue a library or museum, which may be separately operated if desired, for the community college, if the board of trustees considers it advisable to establish and maintain or continue a library or museum and to provide for its care and management.

(d) Select and employ administrative officers, teachers, and other employees it finds necessary to operate the community college district and establish the terms and conditions of their service or employment. If the board of trustees provides medical, optical, or dental benefits to employees and their dependents, the board shall provide those benefits in accordance with the public employees health benefit act and shall comply with that act.

History: 1966, Act 331, Eff. Oct. 1, 1966;—Am. 1970, Act 181, Imd. Eff. Aug. 3, 1970;—Am. 1972, Act 252, Imd. Eff. Aug. 3, 1972;—Am. 1975, Act 219, Imd. Eff. Aug. 26, 1975;—Am. 1980, Act 5, Imd. Eff. Feb. 11, 1980;—Am. 2007, Act 109, Imd. Eff. Oct. 1, 2007.

Compiler's note: For transfer of certain powers and duties vested in the department of career development or its director, relating to powers and duties of state board of education or superintendent of public instruction to the department of labor and economic growth, see E.R.O. No. 2003-1, compiled at MCL 445.2011.

389.123a Applicant serving or has served in military, national guard, or military reserves, or is spouse or dependent; question to be included in admission application.

Sec. 123a. The board of trustees shall ensure that the community college include in its admission application process a specific question as to whether an applicant for admission is currently serving or has ever served as a member of the military, the national guard, or the military reserves, or is the spouse or dependent of an individual who is currently serving or has ever served as a member of the military, the national guard, or the military reserves, in order to more quickly identify potential educational assistance available to that applicant.

History: Add. 2014, Act 482, Eff. Apr. 13, 2015.

389.123b Admission applicant serving or served as member of military, national guard, or military reserves; duties of board of trustees; "transcript" defined.

Sec. 123b. (1) The board of trustees shall ensure that the community college does all of the following in its admission application process if it knows that an applicant for admission is currently serving, or has ever served, as a member of the military, the national guard, or the military reserves:

(a) Inform the applicant that he or she may receive academic credit for college-level training and education he or she received while serving in the military.

(b) Inform the applicant that he or she may submit a transcript of his or her college-level military training and education to the community college.

(c) If the applicant submits a transcript described in subdivision (b), evaluate that transcript and notify the applicant of what transfer credits are available to the applicant from the community college for his or her college-level military training and education.

(2) As used in this section, "transcript" includes a joint services transcript prepared for the applicant under the American council on education registry of credit recommendations.

History: Add. 2014, Act 483, Eff. Apr. 13, 2015.

389.124 Board of trustees; additional powers.

Sec. 124. The board of trustees may do all of the following:

(a) Contract with, appoint, and employ a suitable person as chief executive officer of the community college. The person employed as chief executive officer shall not be a member of the board of trustees and shall possess at least an earned bachelor's degree from an accredited college or university. The chief executive officer shall hold office for a term fixed by the board of trustees, not to exceed 5 years, shall perform duties as the board of trustees may determine, and shall make reports in writing to the board of trustees and to the department of education annually, or more often if required, in regard to all matters pertaining to the educational interests of the community college district.

(b) Delegate to the chief executive officer of the community college the board's authority to do any of the following:

(i) Select and employ personnel of the community college. If the chief executive officer provides medical, optical, or dental benefits to employees and their dependents under this subparagraph, the chief executive officer shall provide those benefits in accordance with the public employees health benefit act and shall comply with that act.

(ii) Pay claims and demands against the community college.

(iii) Purchase, lease, or otherwise acquire personal property for the community college.

(iv) Invest community college funds, subject to section 142(4).

(v) Subject to terms and conditions established by the board of directors, accept contributions, capital grants, gifts, donations, services, or other financial assistance from any public or private entity.

(c) Appoint and employ a business manager responsible to the chief executive officer of the community college for the community college district and fix his or her term of office.

(d) Select and employ other administrative officers, teachers, and other employees and engage services as necessary to effectuate its purposes.

History: 1966, Act 331, Eff. Oct. 1, 1966;—Am. 1997, Act 135, Imd. Eff. Nov. 17, 1997;—Am. 2007, Act 109, Imd. Eff. Oct. 1, 2007;—Am. 2008, Act 237, Imd. Eff. July 17, 2008.

Compiler's note: For transfer of certain powers and duties vested in the department of career development or its director, relating to powers and duties of state board of education or superintendent of public instruction to the department of labor and economic growth, see E.R.O. No. 2003-1, compiled at MCL 445.2011.

389.125 Board of trustees; payment of claims against community college district; gifts; bylaws.

Sec. 125. The board of trustees may:

(a) Certify to the treasurer of the community college district for payment out of the funds thereof all claims and demands against the board or community college district, which shall be allowed by the board under rules and regulations it may establish.

(b) Borrow money or other property and accept contributions, capital grants, gifts, donations, services or other financial assistance from the United States of America or any agency or instrumentality thereof.

(c) Accept by gift or devise private property. They may accept from any county, township or other governmental unit any contribution authorized by its governing body as provided in sections 791 to 795 of Act No. 269 of the Public Acts of 1955, as amended, being sections 340.791 to 340.795 of the Compiled Laws of 1948. They shall likewise be entitled to receive from the state all grants of state aid, in the same manner and proportion, as any other community college.

(d) Adopt bylaws, rules and regulations for its own government and for the control and government of the community college district.

(e) Acquire and hold in the name of the district all real property and improvements acquired and erected under the provisions of this act.

(f) To do all other things in its judgment necessary for the proper establishment, maintenance, management and carrying on of the community college.

History: 1966, Act 331, Eff. Oct. 1, 1966.

389.126 Board of trustees; acquiring lands or erecting or equipping buildings; financing.

Sec. 126. Notwithstanding the provisions of sections 121 and 122, the board of trustees may acquire lands or acquire or erect and equip buildings or maintain them to be used as residence halls, apartments, dining facilities, student centers, health centers, parking facilities, stadiums, athletic fields, gymnasiums, auditoriums, and other educational facilities and finance the acquisition of those by borrowing money and issuing bonds or other obligations under the terms and provisions as it considers best, and the board shall

obligate itself for the repayment of the bonds or other obligations, together with interest, solely out of the income and revenues from the facilities or other facilities acquired or any combination of these facilities or from allocations and pledges of fees and charges required to be paid by students enrolling in the college, or any combination of these. The bonds shall be for a period not to exceed 50 years, and shall never constitute a debt of this state or any political subdivision of this state. The bonds shall be subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

History: 1966, Act 331, Eff. Oct. 1, 1966;—Am. 1967, Act 121, Imd. Eff. June 27, 1967;—Am. 2002, Act 182, Imd. Eff. Apr. 23, 2002.

389.127 Board of trustees; borrowing money and issuing obligations; purpose; pledging state appropriations; pledging full faith and credit of district; limitations; notes or obligations as first budget obligation; pledge as statutory lien; duties of state treasurer; approval of transactions to insure timely payment of note or obligation; expenses; notes or obligations subject to MCL 141.2101 to 141.2821; form, terms, and sale of notes or obligations; repayment.

Sec. 127. (1) The board of trustees may also borrow money and issue its notes or other obligations to secure funds for operating expenses or to pay previous obligations incurred for operating purposes under this or any other statute. The board may pledge state appropriations made and not yet received, federal grants or payments, allocations of fees and charges required to be paid by students enrolling in the college, or any combination of these revenues, for payment of the notes or other obligations. A note or obligation pledging a state appropriation is not state indebtedness and shall carry a statement to that effect.

(2) Subject to applicable charter, statutory, and constitutional limitations, the board may pledge the full faith and credit of the district for notes or obligations issued pursuant to this section. If the funds primarily pledged for the payment of notes or obligations to which the full faith and credit of the district has been pledged are insufficient, the notes or obligations shall be a first budget obligation of the district payable from any available funds.

(3) A pledge pursuant to this section shall constitute a statutory lien that shall be valid and binding from the time the pledge is made without any physical delivery or further act or recording, notice, or filing of any kind. If state appropriations are pledged for payment of notes or obligations issued pursuant to this section, the district may direct the state treasurer to pay all or a part of payments due to the district to a paying agent, trustee, or escrow agent for payment of the notes or obligations. The state treasurer shall comply with those instructions, but this section shall not be construed to require the state treasurer to make payment if funds are not available or at a time or in an amount other than would be payable to the district pursuant to law or to give rise to any liability of the state to holders of notes or obligations for failure of the state or the state treasurer to comply with this section.

(4) In connection with the issuance of notes or obligations pursuant to this section, the board may approve agreements, insurance contracts, lines of credit, letters of credit, commitments to purchase notes or obligations, or other transactions to insure timely payment of any note or obligation. The district may pay from the proceeds of the notes the costs incidental to the issuance of the notes and other incidental expenses, including fees or charges for transactions to provide a separate security to insure timely payment of the notes or obligations.

(5) Notes or obligations issued pursuant to this section shall be subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821. The notes or obligations shall be in the form, have the terms, and be sold in a manner as determined by the board.

(6) Notes or obligations assessed pursuant to this section shall be fully repaid within the ensuing 12 months.

History: Add. 1982, Act 342, Imd. Eff. Dec. 20, 1982;—Am. 2002, Act 152, Imd. Eff. Apr. 8, 2002.

389.128 Public safety officers or police officers; grant of powers and authority; public hearings; public safety advisory committee.

Sec. 128. (1) Subject to subsections (2) and (3), the board of trustees of a community college created under this act may grant to the public safety officers or police officers of that community college the powers and authority of a peace or law enforcement officer. Public safety officers or police officers granted the powers and authority under this act shall have the same powers and authority of a peace officer under the code of criminal procedure, 1927 PA 175, MCL 760.1 to 776.22, and as provided under the Michigan vehicle code, 1949 PA 300, MCL 257.1 to 257.923.

(2) Before granting the powers and authority provided under subsection (1), a board of trustees of a community college shall conduct not less than 2 public hearings.

(3) The board of trustees of a community college shall not grant the powers and authority described in subsection (1) unless that board of trustees creates a public safety advisory committee. The public safety advisory committee shall be comprised of 2 members of the faculty and 2 members of the staff of the community college. The public safety advisory committee shall receive and address grievances by persons against the public safety officers or police officers or against the public safety department or police department of that community college. The committee may recommend to the board of trustees or the administration of that community college that disciplinary measures be taken against a public safety officer or police officer who is found responsible for misconduct in office.

History: Add. 1998, Act 51, Imd. Eff. Mar. 31, 1998;—Am. 1998, Act 281, Imd. Eff. July 27, 1998.

389.129 Public safety officers or police officers; jurisdiction.

Sec. 129. (1) The jurisdiction of public safety officers or police officers granted powers and authority of peace or law enforcement officers under section 128 shall include all property owned or leased by the community college in this state and extends to the public right-of-way traversing or contiguous to that property.

(2) The jurisdiction of public safety officers or police officers under subsection (1) is limited to the protection of persons and property on the property of that community college unless a response is made off campus at the specific request of another law enforcement agency or under a mutual aid agreement with another law enforcement agency.

History: Add. 1998, Act 51, Imd. Eff. Mar. 31, 1998;—Am. 1998, Act 281, Imd. Eff. July 27, 1998.

389.130 Public safety officers or police officers; minimum standards.

Sec. 130. Public safety officers or police officers of a community college to whom the powers and authority of a peace or law enforcement officer are granted under section 1 shall meet the minimum standards of the Michigan law enforcement officers training council act of 1965, 1965 PA 203, MCL 28.601 to 28.616.

History: Add. 1998, Act 51, Imd. Eff. Mar. 31, 1998.

389.131 Monthly uniform crime reports.

Sec. 131. The public safety department or police department of each community college shall submit monthly uniform crime reports pertaining to crimes within the department's jurisdiction to the department of state police in the same manner as uniform crime reports are submitted under section 1 of 1968 PA 319, MCL 28.251.

History: Add. 1998, Act 51, Imd. Eff. Mar. 31, 1998;—Am. 1998, Act 281, Imd. Eff. July 27, 1998.

389.141 Board of trustees; annual budget, estimate.

Sec. 141. The board of trustees shall prepare annually on a day to be determined by the board of such district but before the third Monday in April of each year, an estimate of the amount of taxes or appropriation deemed necessary for the ensuing fiscal year for the purposes of expenditures authorized by law as within the powers of the board.

History: 1966, Act 331, Eff. Oct. 1, 1966.

389.142 Investment of funds; restrictions; commingling prohibited; disposition of earnings; limitation on investment or deposit of funds; compliance with divestment from terror act; definitions.

Sec. 142. (1) Subject to subsections (3) and (4), the treasurer of a community college district, if authorized by resolution of the board of trustees, may invest debt retirement funds, building and site funds, building and site sinking funds, or general funds of the district, but investment is restricted to the following:

- (a) Bonds, bills, or notes of the United States, or of an agency or instrumentality of the United States.
- (b) Negotiable certificates of deposit, saving accounts, or other interest-earning deposit accounts of a financial institution.
- (c) Bankers' acceptances that are issued by a bank that is a member of the federal deposit insurance corporation.
- (d) Commercial paper that is supported by an irrevocable letter of credit issued by a bank that is a member of the federal deposit insurance corporation.
- (e) Commercial paper of corporations rated prime by at least 1 of the standard rating services.
- (f) Mutual funds, trusts, or investment pools composed entirely of instruments that are eligible collateral.
- (g) Repurchase agreements against eligible collateral, the market value of which must be maintained during the life of the agreements at levels equal to or greater than the amounts advanced. An undivided

interest in the instruments pledged for these agreements must be granted to the community college.

(h) Investment pools, as authorized by the surplus funds investment pool act, 1982 PA 367, MCL 129.111 to 129.118, composed entirely of instruments that are legal for direct investment by a community college.

(i) Certificates of deposit issued in accordance with the following conditions:

(i) The funds are initially invested through a financial institution that is not ineligible to be a depository of surplus funds belonging to this state under section 6 of 1855 PA 105, MCL 21.146.

(ii) The financial institution arranges for the investment of the funds in certificates of deposit in 1 or more insured depository institutions, as defined in 12 USC 1813, or 1 or more insured credit unions, as defined in 12 USC 1752, for the account of the community college district.

(iii) The full amount of the principal and any accrued interest of each certificate of deposit is insured by an agency of the United States.

(iv) The financial institution acts as custodian for the community college district with respect to each certificate of deposit.

(v) At the same time that the funds of the community college district are deposited and the certificate or certificates of deposit are issued, the financial institution receives an amount of deposits from customers of other insured depository institutions or insured credit unions equal to or greater than the amount of the funds initially invested by the community college district through the financial institution.

(j) Deposit accounts that meet all of the following conditions:

(i) The funds are initially deposited in a financial institution that is not ineligible to be a depository of surplus funds belonging to this state under section 6 of 1855 PA 105, MCL 21.146.

(ii) The financial institution arranges for the deposit of the funds in deposit accounts in 1 or more insured depository institutions, as defined in 12 USC 1813, or 1 or more insured credit unions, as defined in 12 USC 1752, for the account of the community college district.

(iii) The full amount of the principal and any accrued interest of each deposit account is insured by an agency of the United States.

(iv) The financial institution acts as custodian for the community college district with respect to each deposit account.

(v) On the same date that the funds of the community college district are deposited under subparagraph (ii), the financial institution receives an amount of deposits from customers of other insured depository institutions or insured credit unions equal to or greater than the amount of the funds initially deposited by the community college district in the financial institution.

(k) Obligations of this state or any of its political subdivisions that at the time of purchase are rated as investment grade by at least 1 standard rating service.

(2) The board of trustees, chief executive officer, or treasurer of a community college district shall not commingle money in the funds of the community college district for the purpose of making an investment authorized by this section, and all earnings on an investment shall become a part of the fund for which the investment was made.

(3) The board of trustees, chief executive officer, or treasurer of a community college district shall not invest or deposit any funds of the community college district in any financial institution that is not eligible to be a depository of surplus funds belonging to this state under section 6 of 1855 PA 105, MCL 21.146.

(4) The board of trustees, chief executive officer, or treasurer of a community college district shall comply with the divestment from terror act in making investments or depositing funds under this act.

(5) As used in this section:

(a) "Eligible collateral" means any securities that otherwise would qualify for outright purchase under this act.

(b) "Financial institution" means a state or nationally chartered bank or a state or federally chartered savings and loan association, savings bank, or credit union whose deposits are insured by an agency of the United States government and that maintains a principal office or branch office located in this state under the laws of this state or the United States.

History: 1966, Act 331, Imd. Eff. Oct. 1, 1966;—Am. 1976, Act 401, Imd. Eff. Jan. 5, 1977;—Am. 1979, Act 78, Imd. Eff. Aug. 1, 1979;—Am. 1984, Act 299, Imd. Eff. Dec. 21, 1984;—Am. 1997, Act 23, Imd. Eff. June 12, 1997;—Am. 2008, Act 237, Imd. Eff. July 17, 2008;—Am. 2009, Act 179, Imd. Eff. Dec. 15, 2009;—Am. 2012, Act 153, Imd. Eff. May 30, 2012;—Am. 2014, Act 480, Imd. Eff. Jan. 13, 2015.

389.143 Board of trustees; audit of accounts.

Sec. 143. The board of trustees shall provide for a system of accounting meeting the approval of the state board of education. All accounts shall be audited once each year by a certified public accountant and a summary of the audit shall be published in a newspaper of general circulation in the community college

district. The fiscal and accounting year shall commence with July 1 in each year. Copies of the reports of audits shall be filed as required by the state board of education and shall be available at all reasonable times for public inspection, as a condition of receiving any state aid for the subsequent fiscal year.

History: 1966, Act 331, Eff. Oct. 1, 1966.

Compiler's note: For transfer of certain powers and duties vested in the department of career development or its director, relating to powers and duties of state board of education or superintendent of public instruction to the department of labor and economic growth, see E.R.O. No. 2003-1, compiled at MCL 445.2011.

389.144 Levy and collection of taxes; use of funds; limitation; determination and certification of rate and amount of taxes; manner and time of levy and collection; summer property tax levy; applicability of subsection (3); disposition of money collected; subjects of taxation.

Sec. 144. (1) The board of trustees of each community college district may levy for the purposes specified as within the power of the board a tax that does not exceed the rate previously or subsequently authorized by the qualified electors of the district or the rate derived through the previous adoption by the electors of the district of former 1955 PA 188, or the rate that is allocated to the community college district in accordance with the property tax limitation act, 1933 PA 62, MCL 211.201 to 211.217a. The funds may be used for all purposes authorized, except that to the extent permitted under the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821, taxes imposed for the payment of principal and interest on bonds or other evidences of indebtedness or for the payment of assessments or contract obligations in anticipation of which bonds are issued may be imposed without limitation as to rate or amount. This limitation may be increased to not more than 5 mills if approved by a majority of the qualified electors voting on the question at a regular or special election of the community college district.

(2) Except as provided in subsection (3), the board of trustees shall determine the total taxes required for any year and shall certify the approved tax rate to be levied and the amount of taxes to be raised to the proper assessing officer of each city and township in which the territory of the community college district is situated on or before September 1 of each year, except that the board of trustees may provide by resolution that taxes to be raised against property within any city or township, any portion of which lies within the community college district boundaries, may be levied and collected in the same manner and at the same time as the city or township taxes or in the same manner and at the same time as school district or intermediate school district taxes are being collected by the city or township under part 26 of the revised school code, 1976 PA 451, MCL 380.1611 to 380.1615.

(3) By resolution of its board on or before May 15 of the year in which it is established, a community college district established under this act between January 1 and May 1 of any calendar year may impose a summer property tax levy of either the total or 1/2 of the community college district property taxes for that tax year. The board resolution shall also determine the total taxes required for that tax year and certify the approved tax rate to be levied and the amount of taxes to be raised to the proper assessing officer of each city or township in which the territory of the community college district is situated. Upon receipt of that board resolution, each city and township in which the community college district is situated that collects a summer property tax levy under section 1613 of the revised school code, 1976 PA 451, MCL 380.1613, shall collect the summer levy for that year. The reasonable and actual expenses incurred by a city or township in collecting the community college district property taxes under this subsection, to the extent these expenses are in addition to the expense of collecting and assessing any other taxes at the same time and exceed the amount of any fees imposed for the collection of the community college property taxes, shall be billed to and paid by the community college district. For the purposes of this subsection, reasonable and actual expenses shall not exceed the current collection agreements negotiated with the largest intermediate school district within the community college district. This subsection applies until December 31, 1992.

(4) All money collected by a tax collecting officer from the tax levied under this section shall be returned to the community college district as provided by section 43 of the general property tax act, 1893 PA 206, MCL 211.43, or to the county treasurer who shall pay the taxes so returned immediately to the community college district.

(5) The subjects of taxation for the community college district purposes shall be the same as for state, county, and other school purposes as provided under the general property tax act, 1893 PA 206, MCL 211.1 to 211.157.

History: 1966, Act 331, Eff. Oct. 1, 1966;—Am. 1972, Act 223, Imd. Eff. July 25, 1972;—Am. 1982, Act 368, Imd. Eff. Dec. 28, 1982;—Am. 1984, Act 79, Imd. Eff. Apr. 18, 1984;—Am. 1990, Act 287, Imd. Eff. Dec. 14, 1990;—Am. 2002, Act 73, Imd. Eff. Mar. 15, 2002;—Am. 2003, Act 306, Eff. Jan. 1, 2005.

Compiler's note: For provisions of Act 188 of 1955, referred to in subsection (1), see MCL 390.871 et seq.

389.145 Community college district; exemption from taxation; special assessments.

Sec. 145. The property of the community college district shall be exempt from all taxation and assessment, and no writ of attachment or writ of execution shall be levied upon the property thereof. The board of trustees may enter into an agreement with any city, village or township or with the board of county road commissioners whereby the community college district agrees to pay special assessments for local improvements levied against any community college district property irrespective of the use to which the property is put.

History: 1966, Act 331, Eff. Oct. 1, 1966.

CHAPTER 12 BOARDS OF TRUSTEES

389.151 Community college district; board of trustees, eligibility.

Sec. 151. Any qualified elector residing within the community college district or proposed community college district is eligible to be chosen as a board member.

History: 1966, Act 331, Eff. Oct. 1, 1966;—Am. 1967, Act 231, Imd. Eff. July 10, 1967.

389.152 Member of community college board; nomination; election.

Sec. 152. A candidate for the office of member of a community college board shall be nominated, and members shall be elected, as provided in chapter XIV of the Michigan election law, MCL 168.301 to 168.315.

History: 1966, Act 331, Eff. Oct. 1, 1966;—Am. 1967, Act 231, Imd. Eff. July 10, 1967;—Am. 1984, Act 96, Imd. Eff. Apr. 23, 1984;—Am. 1990, Act 11, Imd. Eff. Feb. 26, 1990;—Am. 2003, Act 306, Eff. Jan. 1, 2005;—Am. 2005, Act 62, Imd. Eff. July 7, 2005.

389.153 Candidates for board of trustees; withdrawal, notice.

Sec. 153. After the filing of a nominating petition by or on behalf of a candidate for membership on the board, the candidate shall not be permitted to withdraw unless a written notice of withdrawal, signed by the candidate, is served upon the official with whom the nominating petition was filed or his duly authorized agent not later than 4:00 p.m. of the third day after the last day for filing the petition unless the third day falls on a Saturday, Sunday or legal holiday, in which case the notice of withdrawal may be served on the official or his duly authorized agent up to 4:00 p.m. on the next secular day.

History: 1966, Act 331, Eff. Oct. 1, 1966.

389.154 Candidate for board of trustees; death, withdrawal, removal from district, or disqualification; election.

Sec. 154. When a candidate for election to the board of trustees dies before the election, withdraws, removes from the community college district or proposed district, or becomes disqualified for any reason, and that person is the only candidate for the term of office of member of the board of trustees, then at the first meeting of the board after the election, the board shall elect, by majority vote of the members of the board, a person who would otherwise meet the qualifications of the office to serve until the next succeeding regular community college election for members of the board of trustees or, in the case of a candidate for election to a board of trustees organized under chapter 5, until the next general election.

History: 1966, Act 331, Eff. Oct. 1, 1966;—Am. 1984, Act 96, Imd. Eff. Apr. 23, 1984.

389.155 Board of trustees; election; certificates of election.

Sec. 155. The candidate for each term of office who received the highest number of votes cast shall thereby be elected. Within 3 days of the official canvass the secretary of the final board of canvassers of any election for members to the board of trustees shall deliver a certificate of election to each of the candidates declared elected. The delivery may be made in person or by certified mail.

History: 1966, Act 331, Eff. Oct. 1, 1966.

389.156 Board of trustees; oath of office and acceptance, filing.

Sec. 156. (1) Within 15 days after his appointment or after the final canvass of his election, each person elected or appointed as a member of the board of trustees of a community college district shall file with the secretary of the board of trustees his oath of office and his acceptance of office, accompanied by a written affidavit setting forth the fact of his eligibility as provided in section 151. Each person elected or appointed to the board of any community college district shall take and subscribe the following oath or affirmation: "I do solemnly swear (or affirm) that I will support the constitution of the United States and the constitution of this state, and that I will faithfully discharge the duties of the office of member of the board of trustees according to the best of my ability."

(2) Any member elected to the first board of trustees of a community college district shall file his acceptance of office, affidavit of eligibility and oath of office with the secretary of the intermediate board of education of the county having the highest valuation within the community college district.

History: 1966, Act 331, Eff. Oct. 1, 1966.

389.157 Board of trustees; vacancies, causes.

Sec. 157. The office of a member of the board of trustees shall become vacant immediately without declaration of any officer or any acceptance of the board of trustees or its members, upon the death of the incumbent, or his being adjudicated insane or being found to be mentally incompetent by the proper court; his resignation; his removal from office; his conviction of a felony; his election or appointment being declared void by a competent tribunal; his refusal or neglect to file his acceptance of office, or his refusal or neglect to take and subscribe to the constitutional oath of office and deposit the same in the manner and within the time prescribed by law; his ceasing to possess the legal qualifications for holding office including his residence qualification.

History: 1966, Act 331, Eff. Oct. 1, 1966.

389.158 Filling vacancies.

Sec. 158. If a vacancy in the board of trustees occurs, the remaining members of the board by majority vote shall fill the vacancy immediately with a qualified elector of the community college district. Except as provided in section 83, any person so appointed shall hold office until the next regular community college election held for the election of members to the board of trustees in the community college district at which time the electors of the community college district shall fill the office for the unexpired portion of the term.

History: 1966, Act 331, Eff. Oct. 1, 1966;—Am. 1984, Act 96, Imd. Eff. Apr. 23, 1984.

CHAPTER 13

NEW JOBS TRAINING PROGRAMS

389.161 Definitions.

Sec. 161. As used in this chapter:

(a) "Agreement" means a written agreement between an employer and a community college district concerning a project and any amendments to that agreement.

(b) "Bond" or "bonds" means bonds, notes, or other debt issued by a community college district under this chapter.

(c) "Employer" means a person that is engaged in business and has employees in this state.

(d) "New job" means a full-time job in this state that meets all of the following:

(i) Except as provided in subparagraph (ii) or (iii), is a new, existing, or expanding business of an employer.

(ii) Is not a job of a recalled worker, a replacement job, or any other job that existed in the employer's business within the 1-year period preceding the date of an agreement.

(iii) Is not a job that is part of an employer's business operation located in a municipality in this state, if that job existed in a business operation or a substantially similar business operation of the employer formerly located in another municipality in this state, the employer moved that business operation or substantially similar business operation to its current location, and the employer closed or substantially reduced that former business operation or substantially similar business operation.

(iv) Results in a net increase in employment in this state for that employer.

(v) The wage paid for the job at the time of the contract is at least the county ALICE rate. As used in this subdivision, "county ALICE rate" means an amount equal to the minimum hourly wage rate necessary to pay the minimal estimate of the total household essentials for a household of 1 adult and 1 child in the county in which a job is primarily performed, based on the most recent household survival budget data provided by United for ALICE at unitedforalice.org.

(e) "New jobs credit from withholding" means the credit described in section 163.

(f) "New jobs training program" or "program" means the project or projects established by a community college district for the creation of jobs by providing education and training or retraining of workers for new jobs.

(g) "Program costs" means all necessary and incidental costs of providing program services.

(h) "Program services" includes, but is not limited to, any of the following:

(i) Training or retraining for new jobs.

(ii) Adult basic education and job-related instruction.

- (iii) Developmental, readiness, and remedial education.
- (iv) Vocational and skill-assessment services and testing.
- (v) Training facilities, equipment, materials, and supplies.
- (vi) Administrative expenses for the new jobs training program.
- (vii) Subcontracted services with public universities and colleges in this state, private colleges or universities, or any federal, state, or local departments or agencies.
- (viii) Contracted or professional services.
- (i) "Project" means a training arrangement that is the subject of an agreement entered into between the community college district and an employer to provide program services.
- (j) "State minimum wage" means the minimum hourly wage rate in effect as of the date the employer and the community college district enter into the agreement to establish the project under former 1964 PA 154 or under the workforce opportunity wage act, 2014 PA 138, MCL 408.411 to 408.424, as applicable.

History: Add. 2008, Act 359, Imd. Eff. Dec. 23, 2008;—Am. 2015, Act 130, Imd. Eff. July 22, 2015;—Am. 2023, Act 186, Imd. Eff. Nov. 7, 2023.

389.162 Agreement by community college and employer; establishment of project; provisions; payments as lien on employer's business property; filing with department of treasury; limitation on entering new agreements.

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

- (a) Must provide for program costs that may be paid from a new jobs credit from withholding, to be received or derived from new employment resulting from the project, or from tuition, student fees, or special charges fixed by the board of trustees to defray program costs in whole or in part.
 - (b) Must contain an estimate of the number of new jobs to be created by the employer.
 - (c) Must include a provision that fixes, on a quarterly basis, the minimum amount of new jobs credit from withholding to be paid for program costs.
 - (d) Must provide that if the amount received from the new jobs credit from withholding is insufficient to pay program costs, the employer agrees to provide money, at least quarterly, to make up the shortfall, so that the community college district receives for each quarter the minimum amount of new jobs credit from withholding that is provided in the agreement.
 - (e) Must include the employer's agreement to mortgage, assign, pledge, or place a lien on any real or personal property as required by the community college district as security for its obligations under the agreement.
 - (f) Must provide for payment of an administrative fee to the community college district in an amount equal to 15% of the aggregate amount to be paid under the agreement.
 - (g) May contain other provisions the community college district considers appropriate or necessary.
- (2) Any payments required to be made by an employer under an agreement are a lien on the employer's business property, real and personal, until paid, have equal precedence with property taxes, and are not divested by a judicial sale. Property subject to the lien established in this subsection may be sold for sums due and delinquent at a tax sale, with the same forfeitures, penalties, and consequences as for the nonpayment of property taxes. The purchaser at tax sale obtains the property subject to the remaining payments required under the agreement.

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

(4) A community college district shall not enter into any new agreements after December 31, 2033.

History: Add. 2008, Act 359, Imd. Eff. Dec. 23, 2008;—Am. 2015, Act 130, Imd. Eff. July 22, 2015;—Am. 2023, Act 186, Imd. Eff. Nov. 7, 2023.

389.163 Program costs of new jobs training program; payment from money received from new jobs credit from withholding; agreement; provisions; amount remitted to community college district; information to be provided to department of treasury.

Sec. 163. (1) If any part of the program costs of a new jobs training program are to be paid from receipt of money from a new jobs credit from withholding, the agreement shall contain all of the following provisions:

- (a) That program costs are to be paid from money received from a new jobs credit from withholding.
- (b) That the new jobs credit from withholding shall be based on salary and wages paid to employees of the employer in the new jobs.
- (c) That for each employee in a new job, the employer shall each month pay the amount required to be

deducted and withheld by the employer under section 703 of the income tax act of 1967, 1967 PA 281, MCL 206.703, to the community college district in the same manner as the employer returns and pays withholding payments to the revenue division of the department of treasury, and the community college district shall pay the amounts received into a special fund to pay program costs and the principal of and interest on any bonds issued by the community college district to finance or refinance the project in whole or in part.

(d) That the community college district may irrevocably pledge the new jobs credit from withholding, and the special fund into which the withholdings are paid, for the payment of the principal of and interest on bonds issued by a community college district to finance or refinance the project in whole or in part.

(e) That for each new jobs credit from withholding paid to a community college district under subdivision (c), the employer shall certify to the department of treasury that the payment was made pursuant to an agreement and shall provide any other information reasonably requested by the department of treasury.

(f) Any other provisions required by the community college district.

(2) At the end of each calendar quarter, a community college district receiving money from a new jobs credit from withholding shall certify to the department of treasury the amount of new jobs credit from withholding each employer with which the community college district has an agreement has remitted to the community college district in that calendar quarter.

(3) By April 1 of each year, each community college district that received money from a new jobs credit from withholding in the preceding calendar year shall provide all of the following information to the department of treasury for the preceding calendar year:

(a) The name of the community college district.

(b) The name of each employer with which the community college district has an agreement, organized by major industry group under the North American industry classification system published by the office of management and budget.

(c) The amount of money from a new jobs credit from withholding each employer described in subdivision (b) has remitted to the community college district.

(d) The amount of new jobs training revenue bonds the community college district has authorized, issued, or sold.

(e) The total amount of the community college district's debt related to agreements at the end of the calendar year.

(f) The number of degrees or certificates awarded to program participants in the calendar year.

(g) The number of individuals who entered a program at the community college district in the calendar year; who completed the program in the calendar year; and who were enrolled in a program at the end of the calendar year.

(h) The number of individuals who completed a program an employer described in subdivision (b) hired to fill new jobs.

(i) Any other information reasonably requested by the department of treasury.

History: Add. 2008, Act 359, Imd. Eff. Dec. 23, 2008;—Am. 2015, Act 130, Imd. Eff. July 22, 2015.

389.164 New jobs training revenue bonds; sunset.

Sec. 164. (1) Subject to subsection (16), by resolution of its board of trustees, a community college district may authorize, issue, and sell its new jobs training revenue bonds in anticipation of payments to be received pursuant to an agreement, subject to the requirements of this chapter, to finance costs of new jobs training programs and to pay costs of issuing those bonds. The bonds must be payable in the manner and on the terms and conditions determined, or within the parameters specified, by the board in the resolution authorizing issuance of the bonds. The resolution authorizing the bonds creates a lien on the receipts from new jobs credit from withholding to be received by the community college district pursuant to an agreement or agreements that is a statutory lien and is a first lien subject only to liens previously created. As additional security, in the resolution authorizing the bonds, the board of trustees may also pledge the limited tax full faith and credit of the district and may authorize and enter into an insurance contract, agreement for lines of credit, letter of credit, commitment to purchase obligations, remarketing agreement, reimbursement agreement, tender agreement, or any other transaction necessary to provide security to assure timely payment of any bonds.

(2) Bonds described in subsection (1) must be authorized by resolution of the board of trustees, and must bear the date or dates, and must mature at the time or times, not exceeding 20 years from the date of issue, provided in the resolution. The bonds must bear interest at the rate or rates, fixed or variable or a combination of fixed and variable, be in the denominations, be in the form, either coupon or registered, carry the registration privileges, be executed in the manner, be payable in the medium of payment and at the place or places, and be subject to the terms of redemption provided in the resolution or resolutions. The bonds of the community college district may be sold at a competitive or negotiated sale at par, premium, or discount as

determined in the authorizing resolution.

(3) A community college district may issue bonds described in subsection (1) with respect to a single project or multiple projects as determined by the board of trustees in the resolution authorizing the issuance of the bonds. The board of trustees may determine to sell the bonds in conjunction with the sale of bonds by another community college district.

(4) Any resolution authorizing any bonds under this section, or any issue of bonds of those bonds, may contain provisions concerning any of the following, and those provisions are part of the contract with the holders of the bonds:

(a) Pledging all or any part of any fees or available funds of the community college district, or other money received or to be received, to secure the payment of the bonds or of any issue of bonds, and subject to any agreements with bondholders as may then exist.

(b) Pledging all or any part of the assets of the community college district, including mortgages and obligations securing the assets, to secure the payment of the bonds or of any issue of bonds, subject to any agreements with bondholders as may then exist.

(c) The setting aside of reserves or sinking funds and the regulation and disposition of reserves or sinking funds.

(d) Limitations on the purpose to which the proceeds of sale of bonds may be applied and pledging the proceeds to secure the payment of the bonds or of any issue of bonds.

(e) Limitations on the issuance of additional bonds; the terms on which additional bonds may be issued and secured; and the refunding of outstanding or other bonds.

(f) The procedure, if any, by which the terms of any contract with bondholders may be amended or abrogated, the amount of bonds the holders of which must consent to the amendment or abrogation, and the manner in which bondholders may give that consent.

(g) Vesting in a trustee or trustees the property, rights, powers, and duties in trust determined by the board of trustees of the community college district.

(h) Any other matters that in any way affect the security or protection of the bonds.

(i) Delegating to an officer or other employee of the community college district, or an agent designated by the community college district, the power to cause the issue, sale, and delivery of the bonds within limits on those bonds established by the community college district concerning any of the following:

(i) The form of the bonds.

(ii) The maximum interest rate or rates of the bonds.

(iii) The maturity date or dates of the bonds.

(iv) The purchase price of the bonds.

(v) The denominations of the bonds.

(vi) The redemption premiums of the bonds.

(vii) The nature of the security for the bonds.

(viii) Any other terms and conditions concerning issuance of the bonds prescribed by the board of trustees of the community college district.

(5) All of the following apply to any pledge of money or other assets made by a community college district to secure any bonds or issue of bonds under this section:

(a) The pledge is valid and binding from the time when the pledge is made.

(b) The money or other assets pledged are immediately subject to the lien of the pledge when received, without any physical delivery of the money or assets or any further act.

(c) The lien of the pledge is valid and binding as against all parties having claims of any kind, in tort, contract, or otherwise, against the community college district, whether or not those parties have notice of the lien.

(d) The community college district is not required to record the resolution or any other instrument creating the pledge.

(6) The board of trustees of a community college district and any person executing bonds subject to this section are not personally liable on the bonds or subject to any personal liability or accountability by reason of the issuance of the bonds.

(7) A community college district issuing bonds under this section may purchase bonds of the community college district out of any funds available for that purpose, subject to any agreements with bondholders in effect at that time. Unless the board of the community college district determines by resolution that the payment of a higher price is in the best interests of the community college district, the community college shall not purchase those bonds at a price that exceeds 1 of the following, as applicable:

(a) If the bonds are redeemable at the time of purchase, the redemption price applicable at that time plus accrued interest to the next interest payment date on the bonds.

(b) If the bonds are not redeemable at the time of purchase, the redemption price applicable on the first date after the purchase on which the bonds are redeemable, plus accrued interest to that date.

(8) Bonds issued under this section are not subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821, except that bonds issued under this section are subject to the maximum rate permitted under section 305 of the revised municipal finance act, 2001 PA 34, MCL 141.2305.

(9) The issuance of bonds under this section is subject to the agency financing reporting act, 2002 PA 470, MCL 129.171 to 129.177.

(10) Bonds issued under this section must not be considered to be within any limitation of outstanding debt limit applicable to the community college district, including any limitation contained in section 122, but must be considered as authorized in addition to any limitation of outstanding debt limit applicable to the community college district.

(11) By resolution of its board of trustees, a community college district may refund all or any part of its outstanding bonds issued under this section by issuing refunding bonds. A community college district may issue refunding bonds whether the outstanding bonds to be refunded have or have not matured, are or are not redeemable on the date of issuance of the refunding bonds, or are or are not subject to redemption before maturity.

(12) A community college district may issue refunding bonds under subsection (11) in a principal amount greater than the principal amount of the outstanding bonds to be refunded if necessary to effect the refunding under the refunding plan.

(13) A community college district may use the proceeds of refunding bonds issued under subsection (11) to pay interest accrued, or to accrue, to the earliest or any subsequent date of redemption, purchase, or maturity of the outstanding bonds to be refunded, redemption premium, if any, and any commission, service fee, and other expense necessary to be paid in connection with the outstanding bonds to be refunded. A community college district may also use the proceeds of refunding bonds to pay part of the cost of issuance of the refunding bonds, interest on the refunding bonds, a reserve for the payment of principal, interest, and redemption premiums on the refunding bonds, and other necessary incidental expenses, including, but not limited to, placement fees and fees or charges for insurance, letters of credit, lines of credit, or commitments to purchase the outstanding bonds to be refunded.

(14) A community college district may apply the proceeds of refunding bonds issued under subsection (11) and other available money to payment of the principal, interest, or redemption premiums, if any, on the refunded outstanding bonds at maturity or on any prior redemption date or may deposit the proceeds or other money in trust to use to purchase and deposit in trust direct obligations of the United States, direct noncallable and nonprepayable obligations that are unconditionally guaranteed by the United States government as to full and timely payment of principal and interest, noncallable and nonprepayable coupons from those obligations that are stripped pursuant to United States Treasury programs, and resolution funding corporation bonds and strips, the principal and interest on which when due, together with other available money, will provide funds sufficient to pay principal, interest, and redemption premiums, if any, on the refunded outstanding bonds as the refunded outstanding bonds become due, whether by maturity or on a prior redemption date, as provided in the authorizing resolution.

(15) A community college district is authorized to pay all or part of the costs of new jobs training programs out of funds of the community college district, including self-funding methods. The use of funds of the community college district and self-funding methods to pay the costs of new jobs training programs must be considered an authorized expenditure of public funds and must not be construed as an investment.

(16) A community college district shall not authorize, issue, or sell any new jobs training revenue bonds after December 31, 2033.

History: Add. 2008, Act 359, Imd. Eff. Dec. 23, 2008;—Am. 2018, Act 376, Imd. Eff. Dec. 17, 2018;—Am. 2023, Act 186, Imd. Eff. Nov. 7, 2023.

389.165 Tax exemption.

Sec. 165. Bonds and notes issued by a community college district under this chapter and the interest on and income from those bonds and notes are exempt from taxation by this state or a political subdivision of this state.

History: Add. 2008, Act 359, Imd. Eff. Dec. 23, 2008.

389.166 Aggregate outstanding obligation of all agreements; limitation.

Sec. 166. The aggregate outstanding obligation of all agreements entered into under this chapter shall not exceed \$50,000,000.00 in any calendar year.

History: Add. 2008, Act 359, Imd. Eff. Dec. 23, 2008.

CHAPTER 21
MISCELLANEOUS AND REPEALS

389.191 Construction of act.

Sec. 191. This act is for the purpose of implementing section 7 of article 8 of the state constitution and shall be construed as being the charter of community colleges established and operating hereunder, and as determining the tax limitation of such colleges in accordance with section 6 of article 9 of the constitution.

History: 1966, Act 331, Eff. Oct. 1, 1966.

389.192 Saving clause.

Sec. 192. All proceedings pending and all rights and liabilities existing, acquired or incurred at the time this act takes effect are hereby saved. It is the legislative intent that this act shall not be construed to alter or affect the continued organization or operation of the community college districts of the state or the rights or liabilities of such districts, except as otherwise specifically provided herein.

History: 1966, Act 331, Eff. Oct. 1, 1966.

389.193 Accrued rights and liabilities.

Sec. 193. Except as specifically otherwise provided in this act, this act shall not impair or affect any act done, offense committed or right accruing, accrued or acquired, or liability, penalty, forfeiture or punishment incurred prior to the time this act takes effect, but the same may be enjoyed, asserted, enforced, prosecuted or inflicted, as fully and to the same extent as if this act had not been passed.

History: 1966, Act 331, Eff. Oct. 1, 1966.

389.194 Repeals.

Sec. 194. Act No. 188 of the Public Acts of 1955, as amended, being sections 390.871 to 390.883 of the Compiled Laws of 1948, is repealed.

History: 1966, Act 331, Eff. Oct. 1, 1966.

389.195 Effective date of act.

Sec. 195. This act shall take effect on October 1, 1966.

History: 1966, Act 331, Eff. Oct. 1, 1966.