

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

**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.