

- (b) A recipient is fired for misconduct or absenteeism.
- (c) A recipient does not participate in work first activities.
- (d) A recipient is noncompliant with his or her family self-sufficiency plan.

(12) If the family independence specialist caseworker and the work first program caseworker agree that good cause exists for the recipient's noncompliance, a penalty shall not be imposed. For the purpose of this subsection, good cause is 1 or more of the following:

(a) The recipient suffers from a temporary debilitating illness or injury or an immediate family member has a debilitating illness or injury and the recipient is needed in the home to care for the family member.

(b) The recipient lacks child care as described in section 407(e)(2) of the personal responsibility and work opportunity reconciliation act of 1996, Public Law 104-193, 42 USC 607(e)(2).

(c) Either employment or training commuting time is more than 2 hours per day or is more than 3 hours per day when there are unique and compelling circumstances, such as a salary at least twice the applicable minimum wage or the job is the only available job placement within a 3-hour commute per day, not including the time necessary to transport a child to child care facilities.

(d) Transportation is not available to the recipient at a reasonable cost.

(e) The employment or participation involves illegal activities.

(f) The recipient is physically or mentally unfit to perform the job, as documented by medical evidence or by reliable information from other sources.

(g) The recipient is illegally discriminated against on the basis of age, race, disability, gender, color, national origin, or religious beliefs.

(h) Credible information or evidence establishes 1 or more unplanned or unexpected events or factors that reasonably could be expected to prevent, or significantly interfere with, the recipient's compliance with employment and training requirements.

(i) The recipient quit employment to obtain comparable employment.

(13) For all instances of noncompliance resulting in termination of family independence assistance for any period of time described in subsection (10), the period of time the recipient is ineligible to receive family independence program assistance applies toward the recipient's 48-month cumulative lifetime total.

(14) Beginning April 1, 2007, for the first instance that a family independence specialist caseworker determines a recipient to be noncompliant, all of the following shall occur:

(a) The department shall notify the recipient in writing within 3 business days of determining that the recipient is noncompliant. The notification shall include all of the following:

(i) The reason the recipient has been determined to be noncompliant.

(ii) The penalty that will be imposed for the noncompliance.

(iii) An opportunity for the recipient to meet in person with the family independence specialist caseworker within 10 business days of the determination that the recipient is noncompliant.

(b) If the recipient meets with a family independence specialist caseworker within 10 business days, the family independence specialist caseworker and the recipient shall review and modify the family self-sufficiency plan as determined necessary by the family independence specialist caseworker. The family independence specialist caseworker shall discuss and provide an official warning regarding penalties that shall be imposed if the recipient continues to be noncompliant. The family independence specialist caseworker shall inform the recipient that he or she must verify compliance with his or her family self-sufficiency plan within 10 business days.

(c) If the recipient fails to meet with the family independence specialist caseworker within 10 business days of the determination that the recipient is noncompliant, the recipient is subject to the provisions of subsection (10)(a).

(d) If the recipient fails to verify compliance under subdivision (b), the recipient is subject to the provisions of subsection (10)(a).

(15) The meeting described in subsection (14) is only available for the first time a family independence specialist caseworker determines the recipient to be noncompliant regardless of whether that recipient becomes subject to the provisions of subsection (10)(a).

(16) This section does not apply after September 30, 2011.

400.57q Earned income disregard; incremental increase; plan.

Sec. 57q. The department shall develop and implement a plan to incrementally increase the earned income disregard for family independence program recipients from \$200.00 plus 20% to not more than 67% of earned income by September 30, 2010.

400.57r Family independence assistance benefits; extension.

Sec. 57r. Beginning October 1, 2007, if the department determines that an individual is eligible to participate in the work first program and resides in a county in which a jobs, education and training (JET) program is available, family independence assistance shall be paid to that individual for not longer than a cumulative total of 48 months during that individual's lifetime. If the recipient is meeting all the requirements outlined in his or her family self-sufficiency plan, has not received more than 2 penalties under section 57g after December 31, 2006, has not received any penalties under section 57g in the preceding 12 months, and labor market conditions or employment barriers prevent employment placement, the recipient may apply to the department for an extension of family independence assistance benefits for a period not to exceed 12 months over the 48-month cumulative lifetime total. Nothing in this subsection prevents the department from providing assistance to individuals who are determined to be exempt from work first participation under section 57f.

400.57t Jobs, education and training (JET) program; implementation.

Sec. 57t. The department shall implement the jobs, education and training (JET) program statewide by September 30, 2007.

400.57u Reports.

Sec. 57u. (1) The department shall provide a report of exemptions under section 57f by district office and by criteria.

(2) The department shall provide a report by district office on the number of sanctions issued, the number of compliance exceptions granted, and the success rate of recipients given the compliance exception under section 57g.

(3) The department shall require district managers to track performance of caseworkers with regard to sanctions under section 57g.

(4) The department shall require reporting by county office on referrals to nonprofit rehabilitation organizations under section 57b and the following:

- (a) Referrals pending less than 90 days.
- (b) Referrals pending 90 to 180 days.
- (c) Referrals pending 180 to 365 days.

(5) The department shall require a quarterly report on cases in which the recipient has applied for supplemental security income under section 57b as follows:

- (a) The number of cases assessed.
- (b) The number of cases referred to work first.
- (c) The number of cases placed in subsidized employment.

(d) The number of cases referred to legal services advocacy programs and the number of cases granted supplemental security income.

(6) The department shall report the progress of the plan required under section 57q and its implementation progress annually by April 1.

(7) Except for the reporting requirement provided in subsection (6), all the reports required under this section shall be provided on a quarterly basis to all of the following:

- (a) The senate and house standing committees dealing with appropriations for human services.
- (b) The senate and house fiscal agencies.
- (c) The majority leader of the senate and the speaker of the house of representatives.

Conditional effective date.

Enacting section 1. This amendatory act does not take effect unless all of the following bills of the 93rd Legislature are enacted into law:

- (a) Senate Bill No. 1500.
- (b) Senate Bill No. 1501.
- (c) House Bill No. 6587.

This act is ordered to take immediate effect.

Approved December 19, 2006.

Filed with Secretary of State December 20, 2006.

Compiler's note: The bills referred to in enacting section 1 were enacted into law as follows:

Senate Bill No. 1500 was filed with the Secretary of State December 20, 2006, and became 2006 PA 470, Imd. Eff. Dec. 20, 2006.

Senate Bill No. 1501 was filed with the Secretary of State December 20, 2006, and became 2006 PA 471, Imd. Eff. Dec. 20, 2006.

House Bill No. 6587 was filed with the Secretary of State December 20, 2006, and became 2006 PA 469, Imd. Eff. Dec. 20, 2006.

[No. 469]

(HB 6587)

AN ACT to amend 1939 PA 280, entitled "An act to protect the welfare of the people of this state; to provide general assistance, hospitalization, infirmary and medical care to poor or unfortunate persons; to provide for compliance by this state with the social security act; to provide protection, welfare and services to aged persons, dependent children, the blind, and the permanently and totally disabled; to administer programs and services for the prevention and treatment of delinquency, dependency and neglect of children; to create a state department of social services; to prescribe the powers and duties of the department; to provide for the interstate and intercounty transfer of dependents; to create county and district departments of social services; to create within certain county departments, bureaus of social aid and certain divisions and offices thereunder; to prescribe the powers and duties of the departments, bureaus and officers; to provide for appeals in certain cases; to prescribe

the powers and duties of the state department with respect to county and district departments; to prescribe certain duties of certain other state departments, officers, and agencies; to make an appropriation; to prescribe penalties for the violation of the provisions of this act; and to repeal certain parts of this act on specific dates,” by amending section 57e (MCL 400.57e), as amended by 2001 PA 280.

The People of the State of Michigan enact:

400.57e Family self-sufficiency plan; execution; development; contents; identification of goals; monitoring compliance with plan.

Sec. 57e. (1) Each family receiving family independence assistance shall execute a family self-sufficiency plan outlining the responsibilities of members of the family independence program assistance group, the contractual nature of family independence program assistance, and the focus on the goal of attaining self-sufficiency. The family self-sufficiency plan shall be developed by the department and the adult family members of the family independence assistance program group with the details of work first participation to be included in the family self-sufficiency plan being developed by the department, the department of labor and economic growth, and the adult family members of the family independence assistance program group. Except as described in section 57b, the department shall complete a thorough assessment to facilitate development of the family self-sufficiency plan, including consideration of referral to a life skills program, and determination as to whether the family independence assistance program group’s adult members are eligible to participate in the work first program or are exempt from work first participation under section 57f. The family self-sufficiency plan shall identify compliance goals that are to be met by members of the family independence assistance program group and goals and responsibilities of the members of the family independence assistance program group, the department, and the work first program. The family self-sufficiency plan shall reflect the individual needs and abilities of the particular family, and shall include at least all of the following:

(a) The obligation of each adult and each child aged 16 or older who is not attending elementary or secondary school full-time to participate in the work first program unless exempt under section 57f.

(b) The obligation of each minor parent who has not completed secondary school to attend school.

(c) Except as provided in section 57f(3), the obligation of each adult to engage in employment, work first activities, education or training, community service activities, or self-improvement activities, as determined appropriate by the department.

(d) The obligation to cooperate in the establishment of paternity and the procurement of child support, if applicable.

(e) The obligation of a recipient who fails to comply with compliance goals due to substance abuse to participate in substance abuse treatment and submit to any periodic drug testing required by the treatment program.

(f) If the recipient is determined to be eligible to participate in the work first program, the obligation that the requirements of the family self-sufficiency plan must, at a minimum, meet federal guidelines for work participation. Exceptions may be granted if it is determined that the recipient or a family member in the recipient’s household has a disability that needs reasonable accommodation as required by section 504 of title V of the rehabilitation act of 1973, 29 USC 794, subtitle A of title II of the Americans with disabilities act of 1990, 42 USC 12131 to 12134, or another identified barrier that interferes with the recipient’s ability to participate in required activities. Reasonable accommodation must be made to adjust

the number of required hours or the types of activities required to take the identified limitations into account.

(g) The obligation that the recipient must enroll in a GED preparation program, a high school completion program, or a literacy training program, if the department determines the resources are available and the assessment and plan demonstrate that these issues present a barrier to the recipient meeting the requirements in his or her family self-sufficiency plan. This basic educational skills training shall be combined with other occupational skills training, whenever possible, to assure that it can be counted toward federal work participation requirements.

(h) Any other obligation the department determines is necessary to enable the family to achieve independence.

(2) The department shall monitor each family's compliance with the family self-sufficiency plan.

Conditional effective date.

Enacting section 1. This amendatory act does not take effect unless all of the following bills of the 93rd Legislature are enacted into law:

- (a) House Bill No. 6580.
- (b) Senate Bill No. 1500.
- (c) Senate Bill No. 1501.

This act is ordered to take immediate effect.

Approved December 19, 2006.

Filed with Secretary of State December 20, 2006.

Compiler's note: The bills referred to in enacting section 1 were enacted into law as follows:

House Bill No. 6580 was filed with the Secretary of State December 20, 2006, and became 2006 PA 468, Imd. Eff. Dec. 20, 2006.

Senate Bill No. 1500 was filed with the Secretary of State December 20, 2006, and became 2006 PA 470, Imd. Eff. Dec. 20, 2006.

Senate Bill No. 1501 was filed with the Secretary of State December 20, 2006, and became 2006 PA 471, Imd. Eff. Dec. 20, 2006.

[No. 470]

(SB 1500)

AN ACT to amend 1939 PA 280, entitled "An act to protect the welfare of the people of this state; to provide general assistance, hospitalization, infirmary and medical care to poor or unfortunate persons; to provide for compliance by this state with the social security act; to provide protection, welfare and services to aged persons, dependent children, the blind, and the permanently and totally disabled; to administer programs and services for the prevention and treatment of delinquency, dependency and neglect of children; to create a state department of social services; to prescribe the powers and duties of the department; to provide for the interstate and intercounty transfer of dependents; to create county and district departments of social services; to create within certain county departments, bureaus of social aid and certain divisions and offices thereunder; to prescribe the powers and duties of the departments, bureaus and officers; to provide for appeals in certain cases; to prescribe the powers and duties of the state department with respect to county and district departments; to prescribe certain duties of certain other state departments, officers, and agencies; to make an appropriation; to prescribe penalties for the violation of the provisions of this act; and to repeal certain parts of this act on specific dates," by amending section 14i (MCL 400.14i), as amended by 2005 PA 333.

The People of the State of Michigan enact:

400.14i Applicability of MCL 400.57f(3)(c), (e), and (f) and 400.57g(4), (5), (6), and (7).

Sec. 14i. Sections 57f(3)(c), (e), and (f) and 57g(4), (5), (6), and (7) do not apply after March 31, 2007.

Conditional effective date.

Enacting section 1. This amendatory act does not take effect unless all of the following bills of the 93rd Legislature are enacted into law:

- (a) Senate Bill No. 1501.
- (b) House Bill No. 6580.
- (c) House Bill No. 6587.

This act is ordered to take immediate effect.

Approved December 19, 2006.

Filed with Secretary of State December 20, 2006.

Compiler's note: The bills referred to in enacting section 1 were enacted into law as follows:

Senate Bill No. 1501 was filed with the Secretary of State December 20, 2006, and became 2006 PA 471, Imd. Eff. Dec. 20, 2006.

House Bill No. 6580 was filed with the Secretary of State December 20, 2006, and became 2006 PA 468, Imd. Eff. Dec. 20, 2006.

House Bill No. 6587 was filed with the Secretary of State December 20, 2006, and became 2006 PA 469, Imd. Eff. Dec. 20, 2006.

[No. 471]

(SB 1501)

AN ACT to amend 1939 PA 280, entitled "An act to protect the welfare of the people of this state; to provide general assistance, hospitalization, infirmary and medical care to poor or unfortunate persons; to provide for compliance by this state with the social security act; to provide protection, welfare and services to aged persons, dependent children, the blind, and the permanently and totally disabled; to administer programs and services for the prevention and treatment of delinquency, dependency and neglect of children; to create a state department of social services; to prescribe the powers and duties of the department; to provide for the interstate and intercounty transfer of dependents; to create county and district departments of social services; to create within certain county departments, bureaus of social aid and certain divisions and offices thereunder; to prescribe the powers and duties of the departments, bureaus and officers; to provide for appeals in certain cases; to prescribe the powers and duties of the state department with respect to county and district departments; to prescribe certain duties of certain other state departments, officers, and agencies; to make an appropriation; to prescribe penalties for the violation of the provisions of this act; and to repeal certain parts of this act on specific dates," by amending section 57 (MCL 400.57), as added by 1995 PA 223, and by adding sections 57p and 57s.

The People of the State of Michigan enact:

400.57 Definitions.

Sec. 57. (1) As used in this section and sections 57a to 57u:

(a) “Adult-supervised household” means either of the following:

(i) The place of residence of a parent, stepparent, or legal guardian of a minor parent.

(ii) A living arrangement not described in subparagraph (i) that the department approves as a family setting that provides care and control of a minor parent and his or her child and supportive services including, but not limited to, counseling, guidance, or supervision.

(b) “Caretaker” means an individual who is acting as parent for a child in the absence or because of the disability of the child’s parent or stepparent and who is the child’s legal guardian, grandparent, great grandparent, great-great grandparent, sibling, stepsibling, aunt, great aunt, great-great aunt, uncle, great uncle, great-great uncle, nephew, niece, first cousin, or first cousin once-removed, a spouse of any person listed above, a parent of the putative father, or an unrelated individual aged 21 or older whose appointment as legal guardian of the child is pending.

(c) “Child” means an individual who is not emancipated under 1968 PA 293, MCL 722.1 to 722.6, who lives with a parent or caretaker, and who is either of the following:

(i) Under the age of 18.

(ii) Age 18 or 19, a full-time high school student, and reasonably expected to graduate from high school before the age of 20.

(d) “Family” means 1 or more of the following:

(i) A household consisting of a child and either of the following:

(A) A parent or stepparent of the child.

(B) A caretaker of the child.

(ii) A pregnant woman.

(iii) A parent of a child in foster care.

(e) “Family independence assistance” means financial assistance provided to a family under the family independence program.

(f) “Family independence assistance group” means all those members of a program group who receive family independence assistance.

(g) “Family independence program” means the program of financial assistance established under section 57a.

(h) “Family self-sufficiency plan” means a document described in section 57e that is executed by a family in return for receiving family independence assistance.

(i) “Minor parent” means an individual under the age of 18 who is not emancipated under 1968 PA 293, MCL 722.1 to 722.6, and who is either the biological parent of a child living in the same household or a pregnant woman.

(j) “Payment standard” means the standard upon which family independence program benefits are based if the family independence assistance group has no net income.

(k) “Program group” means a family and all those individuals living with a family whose income and assets are considered for purposes of determining financial eligibility for family independence assistance.

(l) “Recipient” means an individual receiving family independence assistance.

(m) “Substance abuse” means that term as defined in section 6107 of the public health code, 1978 PA 368, MCL 333.6107.

(n) “Substance abuse treatment” means outpatient or inpatient services or participation in alcoholics anonymous or a similar program.

(o) “Supplemental security income” means the program of supplemental security income provided under title XVI.

(p) “Work first” means the program of employment and training administered by the department of labor and economic growth for applicants and recipients of family independence assistance.

(2) A reference in this act to “aid to dependent children” or “aid to families with dependent children” means “family independence program assistance”.

400.57p Family independence assistance; months counted toward cumulative total in lifetime; exceptions; section inapplicable after September 30, 2011.

Sec. 57p. (1) Beginning April 1, 2007, any month in which any of the following occur shall not be counted toward the cumulative total of 48 months in a lifetime for family independence assistance:

(a) The recipient has been temporarily exempted from work first under section 57f(3)(g) and (4).

(b) The recipient is employed and meeting the requirements of his or her family self-sufficiency plan.

(c) The unemployment rate in the county in which the recipient resides is 25% above the state average for unemployment.

(d) Compliance with certain family independence program requirements are waived under section 56i(1)(c).

(2) This section does not apply after September 30, 2011.

400.57s Payment of \$10.00 per month for 6 months to certain individuals.

Sec. 57s. The department shall pay \$10.00 per month for 6 months to individuals who leave family independence programs due to no longer meeting the financial eligibility criteria based on earned income, if those individuals continue to meet the federal guidelines for work participation.

Conditional effective date.

Enacting section 1. This amendatory act does not take effect unless all of the following bills of the 93rd Legislature are enacted into law:

(a) Senate Bill No. 1500.

(b) House Bill No. 6580.

(c) House Bill No. 6587.

This act is ordered to take immediate effect.

Approved December 19, 2006.

Filed with Secretary of State December 20, 2006.

Compiler's note: The bills referred to in enacting section 1 were enacted into law as follows:

Senate Bill No. 1500 was filed with the Secretary of State December 20, 2006, and became 2006 PA 470, Imd. Eff. Dec. 20, 2006.

House Bill No. 6580 was filed with the Secretary of State December 20, 2006, and became 2006 PA 468, Imd. Eff. Dec. 20, 2006.

House Bill No. 6587 was filed with the Secretary of State December 20, 2006, and became 2006 PA 469, Imd. Eff. Dec. 20, 2006.

[No. 472]**(SB 387)**

AN ACT to amend 1975 PA 228, entitled “An act to provide for the imposition, levy, computation, collection, assessment and enforcement, by lien or otherwise, of taxes on certain commercial, business, and financial activities; to prescribe the manner and times of making certain reports and paying taxes; to prescribe the powers and duties of public officers and state departments; to permit the inspection of records of taxpayers; to provide for interest and penalties on unpaid taxes; to provide exemptions, credits, and refunds; to provide penalties; to provide for the disposition of funds; to provide for the interrelation of this act with other acts; and to provide an appropriation,” (MCL 208.1 to 208.145) by adding section 34; and to repeal acts and parts of acts.

The People of the State of Michigan enact:

208.34 Tax credit; taxpayer engaged in research and development of qualified technology; conditions; definitions.

Sec. 34. (1) For tax years that begin on or after January 1, 2006 and end before January 1, 2016, a taxpayer that is engaged in research and development of a qualified technology may claim a credit against the tax imposed by this act equal to 3.9% of the compensation as defined in section 4 for services performed in a qualified facility, paid to the employees at the qualified facility in the tax year, if the taxpayer has entered into an agreement before April 1, 2007 with the Michigan economic growth authority that provides all of the following:

- (a) The type and number of jobs at the qualified facility to which the agreement applies.
 - (b) The type of work to be performed by the employees performing the jobs provided under subdivision (a) by the taxpayer.
 - (c) Any other terms and conditions that the Michigan economic growth authority considers to be in the public interest.
- (2) If the credit allowed under this section exceeds the tax liability of the taxpayer for the tax year, that portion that exceeds the tax liability shall be refundable.
- (3) The maximum amount of the credit allowed under this section that any 1 taxpayer may claim shall not exceed \$3,000,000.00 in a single tax year.
- (4) As used in this section:

(a) “Michigan economic growth authority” means the Michigan economic growth authority created in the Michigan economic growth authority act, 1995 PA 24, MCL 207.801 to 207.810.

(b) “Motor vehicle” means a motor vehicle as defined in section 33 of the Michigan vehicle code, 1949 PA 300, MCL 257.33, that is designed as a passenger vehicle, or sport utility vehicle, but does not include a motor home, bus, truck other than a pickup truck or van, or a vehicle designed to travel on less than 4 wheels.

(c) “Qualified city” means a city that meets both of the following criteria:

- (i) Has a population of not less than 80,000 and not more than 82,000 as designated by the United States bureau of the census in the 2000 census.
- (ii) Is located in a county that has a population of not less than 1,000,000 and not more than 1,300,000 as designated by the United States bureau of the census in the 2000 census.

(d) “Qualified facility” means a leased facility in a qualified city used for the research and development of a qualified technology.

(e) “Qualified technology” means a hybrid system the primary purpose of which is the propulsion of a motor vehicle.

(f) “Research and development” means “qualified research” as that term is defined in section 41(d) of the internal revenue code.

Repeal of MCL 208.32.

Enacting section 1. Section 32 of the single business tax act, 1975 PA 228, MCL 208.32, is repealed.

This act is ordered to take immediate effect.

Approved December 19, 2006.

Filed with Secretary of State December 20, 2006.

[No. 473]

(SB 1357)

AN ACT to amend 1945 PA 47, entitled “An act to authorize 2 or more cities, townships, and villages, or any combination of cities, townships, and villages, to incorporate a hospital authority for planning, promoting, acquiring, constructing, improving, enlarging, extending, owning, maintaining, and operating 1 or more community hospitals and related buildings or structures and related facilities; to provide for the sale, lease, or other transfer of a hospital owned by a hospital authority to a nonprofit corporation established under the laws of this state for no or nominal monetary consideration; to define hospitals and community hospitals; to provide for changes in the membership therein; to authorize the cities, townships, and villages to levy taxes for community hospital purposes; to provide for the issuance of bonds; to provide for the pledge of assessments; to provide for borrowing money for operation and maintenance and issuing notes for operation and maintenance; to validate elections heretofore held and notes heretofore issued; to validate bonds heretofore issued; to authorize condemnation proceedings; to grant certain powers of a body corporate; to validate and ratify the organization, existence, and membership of entities acting as hospital authorities under the act and the actions taken by hospital authorities and by the members of the hospital authorities; and to prescribe penalties and provide remedies,” by amending section 1 (MCL 331.1).

The People of the State of Michigan enact:

331.1 Hospital authority; formation; issuance and purpose of bonds; enlargement of powers; “hospitals” and “community hospitals and related facilities” defined.

Sec. 1. (1) Two or more cities, villages, or townships, or a combination of cities, villages, or townships, by resolution of their respective legislative bodies, approved by a majority vote of the qualified electors of each of those cities, villages, or townships, may join to form a hospital authority and issue bonds for the purpose of planning, promoting, acquiring, constructing, improving, enlarging, extending, owning, maintaining, and operating, either within or without the city, village, or township limits, 1 or more community hospitals and related buildings or structures and related facilities, subject to the tax limitation provided in this act. The power granted in this section shall be considered an enlargement of a power granted to a city, village, or township by its respective charter or the laws of this state.

(2) As used in this act, “hospitals” and “community hospitals and related facilities” mean buildings or structures and related facilities suitable, intended for, incidental, or ancillary to the care of the sick, wounded, or elderly, or for the care of persons requiring medical treatment and buildings or structures and related facilities shared by 1 or more hospitals, including an outpatient clinic; an ambulatory care facility; a long-term care facility; an assisted living facility; a home for the aged; a senior citizen housing facility; a health and wellness facility; a diagnostic facility; a shared service facility; a laundry; a nurse’s, doctor’s, or intern’s residence; an administration building; a building or structure used for research directly involved with medical care; a maintenance, storage, or utility building and related equipment; a parking lot or garage; furnishings; and the land necessary or convenient for use for the building or structure; an office facility not less than 80% of which is intended for lease or use by direct providers of health care, and which has been determined by the department of public health to meet a demonstrated need and is geographically or functionally related to 1 or more hospital facilities, if the authority determines that the financing of the office facility is necessary to accomplish the purposes and objectives of this act.

This act is ordered to take immediate effect.

Approved December 19, 2006.

Filed with Secretary of State December 20, 2006.

[No. 474]

(SB 906)

AN ACT to amend 1921 PA 2, entitled “An act to promote the efficiency of the government of the state, to create a state administrative board, to define the powers and duties thereof, to provide for the transfer to said board of powers and duties now vested by law in other boards, commissions, departments and officers of the state, and for the abolishing of certain of the boards, commissions, departments and offices, whose powers and duties are hereby transferred,” (MCL 17.1 to 17.3) by adding section 2b.

The People of the State of Michigan enact:

17.2b Powers and duties under Michigan strategic fund act; employment of chief compliance officer; review of reports; powers and duties under Michigan tobacco settlement finance authority act.

Sec. 2b. (1) The state administrative board shall also have the powers granted and perform the duties imposed under section 88i of the Michigan strategic fund act, 1984 PA 270, MCL 125.2088i.

(2) The state administrative board shall employ the chief compliance officer described in section 88i of the Michigan strategic fund act, 1984 PA 270, MCL 125.2088i, as authorized by section 2.

(3) The state administrative board shall review all reports described in section 88i of the Michigan strategic fund act, 1984 PA 270, MCL 125.2088i, submitted to the state administrative board by the chief compliance officer under section 88i of the Michigan strategic fund act, 1984 PA 270, MCL 125.2088i.

(4) The state administrative board also shall have the powers granted and perform the duties described under section 8 of the Michigan tobacco settlement finance authority act, 2005 PA 226, MCL 129.268.

This act is ordered to take immediate effect.

Approved December 19, 2006.

Filed with Secretary of State December 20, 2006.

[No. 475]

(SB 584)

AN ACT to amend 1996 PA 376, entitled “An act to create and expand certain renaissance zones; to foster economic opportunities in this state; to facilitate economic development; to stimulate industrial, commercial, and residential improvements; to prevent physical and infrastructure deterioration of geographic areas in this state; to authorize expenditures; to provide exemptions and credits from certain taxes; to create certain obligations of this state and local governmental units; to require disclosure of certain transactions and gifts; to provide for appropriations; and to prescribe the powers and duties of certain state and local departments, agencies, and officials,” by amending section 8a (MCL 125.2688a), as amended by 2006 PA 440.

The People of the State of Michigan enact:

125.2688a Additional renaissance zones; designation; property located in alternative energy zone; definitions.

Sec. 8a. (1) Except as provided in subsections (2), (3), and (4), the board shall not designate more than 9 additional renaissance zones within this state under this section. Not more than 6 of the renaissance zones shall be located in urban areas and not more than 5 of the renaissance zones shall be located in rural areas. For purposes of determining whether a renaissance zone is located in an urban area or rural area under this section, if any part of a renaissance zone is located within an urban area, the entire renaissance zone shall be considered to be located in an urban area.

(2) The board of the Michigan strategic fund described in section 4 of the Michigan strategic fund act, 1984 PA 270, MCL 125.2004, may designate not more than 10 additional renaissance zones within this state in 1 or more cities, villages, or townships if that city, village, or township or combination of cities, villages, or townships consents to the creation of a renaissance zone within their boundaries. The board of the Michigan strategic fund may designate not more than 1 of the 10 additional renaissance zones described in this subsection as an alternative energy zone. An alternative energy zone shall promote and increase the research, development, testing, and manufacturing of alternative energy technology, alternative energy systems, and alternative energy vehicles, as those terms are defined in the Michigan next energy authority act, 2002 PA 593, MCL 207.821 to 207.827. An alternative energy zone shall have a duration of renaissance zone status for a period not to exceed 20 years as determined by the board of the Michigan strategic fund. Not later than April 16, 2004, the board of the Michigan strategic fund may designate not more than 1 of the 10 additional renaissance zones described in this subsection as a pharmaceutical renaissance zone. A pharmaceutical renaissance zone shall promote and increase the research, development, and manufacturing of pharmaceutical products of an eligible pharmaceutical company.

The board of the Michigan strategic fund may designate not more than 5 of the additional 10 renaissance zones described in this subsection as a redevelopment renaissance zone. A redevelopment renaissance zone shall promote the redevelopment of existing industrial facilities. Before designating a renaissance zone under this subsection, the board of the Michigan strategic fund may enter into a development agreement with the city, township, or village in which the renaissance zone will be located.

(3) In addition to the not more than 9 additional renaissance zones described in subsection (1), the board may designate additional renaissance zones within this state in 1 or more qualified local governmental units if that qualified local governmental unit or units contain a military installation that was operated by the United States department of defense and was closed in 1977 or after 1990.

(4) Land owned by a county or the qualified local governmental unit or units adjacent to a zone as described in subsection (3) may be included in this zone.

(5) Notwithstanding any other provision of this act, property located in the alternative energy zone that is classified as commercial real property under section 34c of the general property tax act, 1893 PA 206, MCL 211.34c, and that the authority, with the concurrence of the assessor of the local tax collecting unit, determines is not used to directly promote and increase the research, development, testing, and manufacturing of alternative energy technology, alternative energy systems, and alternative energy vehicles as those terms are defined in the Michigan next energy authority act, 2002 PA 593, MCL 207.821 to 207.827, is not eligible for any exemption, deduction, or credit under section 9.

(6) As used in this section:

(a) “Eligible pharmaceutical company” means a company that meets all of the following criteria:

(i) Is engaged primarily in manufacturing, research and development, and sale of pharmaceuticals.

(ii) Has not less than 8,499 employees located in this state, all of whom are located within a 100-mile radius of each other.

(iii) Of the total number of employees located in this state, has not less than 4,800 engaged primarily in research and development of pharmaceuticals.

(b) “Redevelopment renaissance zone” means a renaissance zone that meets 1 of the following:

(i) All of the following:

(A) Is located in a city with a population of more than 7,500 and less than 8,500 and is located in a county with a population of more than 60,000 and less than 70,000.

(B) Contains an industrial site of 200 or more acres.

(ii) All of the following:

(A) Is located in a city with a population of more than 13,000 and less than 14,000 and is located in a county with a population of more than 1,000,000 and less than 1,300,000.

(B) Contains an industrial site of 300 or more contiguous acres.

(iii) All of the following:

(A) Is located in a township with a population of more than 5,500 and is located in a county with a population of less than 24,000.

(B) Contains an industrial site of more than 850 acres and has railroad access.

(iv) All of the following:

(A) Is located in a city with a population of more than 40,000 and less than 44,000 and is located in a county with a population of more than 81,000 and less than 87,000.

(B) Contains an industrial site of more than 475 acres.

(v) All of the following:

(A) Is located in a city with a population of more than 21,000 and less than 26,000 and is located in a county with a population of more than 573,000 and less than 625,000.

(B) Contains an industrial site of less than 45 acres in size.

This act is ordered to take immediate effect.

Approved December 20, 2006.

Filed with Secretary of State December 21, 2006.

[No. 476]

(SB 1148)

AN ACT to amend 1996 PA 376, entitled “An act to create and expand certain renaissance zones; to foster economic opportunities in this state; to facilitate economic development; to stimulate industrial, commercial, and residential improvements; to prevent physical and infrastructure deterioration of geographic areas in this state; to authorize expenditures; to provide exemptions and credits from certain taxes; to create certain obligations of this state and local governmental units; to require disclosure of certain transactions and gifts; to provide for appropriations; and to prescribe the powers and duties of certain state and local departments, agencies, and officials,” by amending section 8a (MCL 125.2688a), as amended by 2006 PA 440.

The People of the State of Michigan enact:

125.2688a Additional renaissance zones; designation; property located in alternative energy zone; definitions.

Sec. 8a. (1) Except as provided in subsections (2), (3), and (4), the board shall not designate more than 9 additional renaissance zones within this state under this section. Not more than 6 of the renaissance zones shall be located in urban areas and not more than 5 of the renaissance zones shall be located in rural areas. For purposes of determining whether a renaissance zone is located in an urban area or rural area under this section, if any part of a renaissance zone is located within an urban area, the entire renaissance zone shall be considered to be located in an urban area.

(2) The board of the Michigan strategic fund described in section 4 of the Michigan strategic fund act, 1984 PA 270, MCL 125.2004, may designate not more than 13 additional renaissance zones within this state in 1 or more cities, villages, or townships if that city, village, or township or combination of cities, villages, or townships consents to the creation of a

renaissance zone within their boundaries. The board of the Michigan strategic fund may designate not more than 1 of the 13 additional renaissance zones described in this subsection as an alternative energy zone. An alternative energy zone shall promote and increase the research, development, testing, and manufacturing of alternative energy technology, alternative energy systems, and alternative energy vehicles, as those terms are defined in the Michigan next energy authority act, 2002 PA 593, MCL 207.821 to 207.827. An alternative energy zone shall have a duration of renaissance zone status for a period not to exceed 20 years as determined by the board of the Michigan strategic fund. Not later than April 16, 2004, the board of the Michigan strategic fund may designate not more than 1 of the 13 additional renaissance zones described in this subsection as a pharmaceutical renaissance zone. A pharmaceutical renaissance zone shall promote and increase the research, development, and manufacturing of pharmaceutical products of an eligible pharmaceutical company. The board of the Michigan strategic fund may designate not more than 8 of the additional 13 renaissance zones described in this subsection as a redevelopment renaissance zone. A redevelopment renaissance zone shall promote the redevelopment of existing industrial facilities or the development of property for industrial purposes. Before designating a renaissance zone under this subsection, the board of the Michigan strategic fund may enter into a development agreement with the city, township, or village in which the renaissance zone will be located and the owner or developer of the facility or property located in the renaissance zone. The development agreement for a redevelopment renaissance zone described only in subsection (6)(b)(vi) or (vii) may provide for the payment of 1 or more of the taxes described in section 9.

(3) In addition to the not more than 9 additional renaissance zones described in subsection (1), the board may designate additional renaissance zones within this state in 1 or more qualified local governmental units if that qualified local governmental unit or units contain a military installation that was operated by the United States department of defense and was closed in 1977 or after 1990.

(4) Land owned by a county or the qualified local governmental unit or units adjacent to a zone as described in subsection (3) may be included in this zone.

(5) Notwithstanding any other provision of this act, property located in the alternative energy zone that is classified as commercial real property under section 34c of the general property tax act, 1893 PA 206, MCL 211.34c, and that the authority, with the concurrence of the assessor of the local tax collecting unit, determines is not used to directly promote and increase the research, development, testing, and manufacturing of alternative energy technology, alternative energy systems, and alternative energy vehicles as those terms are defined in the Michigan next energy authority act, 2002 PA 593, MCL 207.821 to 207.827, is not eligible for any exemption, deduction, or credit under section 9.

(6) As used in this section:

(a) “Eligible pharmaceutical company” means a company that meets all of the following criteria:

(i) Is engaged primarily in manufacturing, research and development, and sale of pharmaceuticals.

(ii) Has not less than 8,499 employees located in this state, all of whom are located within a 100-mile radius of each other.

(iii) Of the total number of employees located in this state, has not less than 4,800 engaged primarily in research and development of pharmaceuticals.

(b) “Redevelopment renaissance zone” means a renaissance zone that meets 1 of the following:

(i) All of the following:

(A) Is located in a city with a population of more than 7,500 and less than 8,500 and is located in a county with a population of more than 60,000 and less than 70,000.

(B) Contains only all or a portion of an industrial site of 200 or more acres.

(ii) All of the following:

(A) Is located in a city with a population of more than 13,000 and less than 14,000 and is located in a county with a population of more than 1,000,000 and less than 1,300,000.

(B) Contains only all or a portion of an industrial site of 300 or more contiguous acres.

(iii) All of the following:

(A) Is located in a township with a population of more than 5,500 and is located in a county with a population of less than 24,000.

(B) Contains only all or a portion of an industrial site of more than 850 acres and has railroad access.

(iv) All of the following:

(A) Is located in a city with a population of more than 40,000 and less than 44,000 and is located in a county with a population of more than 81,000 and less than 87,000.

(B) Contains only all or a portion of an industrial site of more than 475 acres.

(v) All of the following:

(A) Is located in a city with a population of more than 21,000 and less than 26,000 and is located in a county with a population of more than 573,000 and less than 625,000.

(B) Contains only all or a portion of an industrial site of less than 45 acres in size.

(vi) All of the following:

(A) Is located in a city with a population of more than 190,000 and less than 250,000 and is located in a county with a population of more than 573,000 and less than 625,000.

(B) Contains only all or a portion of an industrial site of more than 14 acres and less than 16 acres in size.

(C) Is approved by the board of the Michigan strategic fund on or before April 1, 2007.

(vii) All of the following:

(A) Is located in a city with a population of more than 35,500 and less than 36,800 and is located in a county with a population of more than 157,000 and less than 162,000.

(B) Contains only all or a portion of an industrial site comprised of 1 or more adjacent parcels totaling 5 or more acres.

(C) Is approved by the board of the Michigan strategic fund on or before April 1, 2007.

(viii) All of the following:

(A) Is located in a city with a population of more than 40,000 and less than 44,000 and is located in a county with a population of more than 81,000 and less than 87,000.

(B) Contains only all or a portion of an industrial site composed of 1 or more adjacent parcels totaling 100 or more acres.

(C) Is approved by the board of the Michigan strategic fund on or before April 1, 2008.

This act is ordered to take immediate effect.

Approved December 20, 2006.

Filed with Secretary of State December 21, 2006.

[No. 477]**(SB 924)**

AN ACT to amend 1994 PA 451, entitled “An act to protect the environment and natural resources of the state; to codify, revise, consolidate, and classify laws relating to the environment and natural resources of the state; to regulate the discharge of certain substances into the environment; to regulate the use of certain lands, waters, and other natural resources of the state; to prescribe the powers and duties of certain state and local agencies and officials; to provide for certain charges, fees, assessments, and donations; to provide certain appropriations; to prescribe penalties and provide remedies; and to repeal acts and parts of acts,” by amending sections 74117 and 81116 (MCL 324.74117 and 324.81116), section 74117 as amended by 2003 PA 170 and section 81116 as amended by 2003 PA 111.

The People of the State of Michigan enact:

324.74117 Park permits; waiver; fees; report; additional permits for special services or park privileges; sales; surety bond; commercial motor coaches or vans; use of credit card; lost or destroyed park permit; “resident motor vehicle” defined.

Sec. 74117. (1) The department may require park permits and collect park permit fees for entry into a state park or portion of a state park posted in the manner prescribed by this part. The department may waive the permit requirement for department-sponsored events or other circumstances as determined by the director or the director’s designee. The department shall prepare and distribute park permits to implement this part.

(2) Except as otherwise provided in this section, an annual park permit shall be issued and shall authorize the entry of the motor vehicle to which it is originally attached within the confines of any state park or recreation area during the calendar year for which it is issued. The fee for the annual park permit is as follows:

(a) Until January 1, 2010, for the owner of a resident motor vehicle, \$24.00, except as follows:

(i) The fee for the owner of a resident motor vehicle who is 65 years of age or older is \$6.00.

(ii) The fee for the owner of a resident motor vehicle who, at the time of purchase, is in possession of a food stamp card and personal identification is \$18.00.

(b) Until January 1, 2010, for the owner of a nonresident motor vehicle, \$29.00.

(3) A daily permit, valid for 1 day only, shall authorize the entry of the motor vehicle to which it is originally attached within the confines of a state park during the day for which it is issued. The fee for a daily permit is as follows:

(a) Until January 1, 2010, for the owner of a resident motor vehicle, \$6.00.

(b) Until January 1, 2010, for the owner of a nonresident motor vehicle, \$8.00.

(4) A person who has obtained an annual motor vehicle permit under this section for a recreational vehicle to be used as a stationary primary camping shelter camped legally in and not moved from a state park campground during the period of the camping stay may obtain a duplicate motor vehicle permit for a towed second motor vehicle present at the time of entry for a fee of \$6.00 effective for the duration of camping stay.

(5) The department shall provide to the standing committees in the senate and house of representatives along with the appropriate budget subcommittees that primarily consider

issues pertaining to natural resources an annual report that details the revenue stream generated by the fee structure under this section. This report shall be presented not later than December 31 each year and shall include information on the impact of the revenue stream on the Michigan state parks endowment fund created in section 35a of article IX of the state constitution of 1963 and provided for in section 74119, the use of the general fund for funding the state park system, and other relevant issues that impact funding needs for the state park system.

(6) This part applies only to the entry of motor vehicles into the state parks and to the park permits authorized in this part and does not obviate the necessity of obtaining additional permits for special services or park privileges as previously or subsequently may be required by law or by rules promulgated by the department. The department shall designate each person in the state authorized to sell park permits and shall require as a condition of the designation that a surety bond be furnished in an amount and in a form and with the surety as is acceptable to the department. After being designated by the department, a person may issue park permits in accordance with this part.

(7) Commercial motor coaches or vans with a capacity of more than 12 passengers are not eligible to enter a state park with an annual park permit. Until January 1, 2010, the daily fee to allow commercial motor coaches or vans with a capacity of over 12 passengers daily entry into a state park is \$15.00.

(8) The department may add to the cost of a reservation or a motor vehicle entrance or camping fee the charges that the state incurs because of the use of a credit card.

(9) If a person's annual park permit is lost or destroyed, the department shall provide that person with a replacement park permit free of charge. The department may require a person requesting a replacement park permit to supply sufficient evidence of the loss or destruction of the original park permit.

(10) It is the intent of the legislature that if, on September 30 of any state fiscal year, the amount of money in the countercyclical budget and economic stabilization fund created in section 351 of the management and budget act, 1984 PA 431, MCL 18.1351, exceeds \$250,000,000.00, then general fund/general purpose support for state parks operations for the following state fiscal year shall be equal to or exceed 50% of the revenues generated by motor vehicle entrance fees under this section during the previous state fiscal year.

(11) As used in this section, "resident motor vehicle" means a vehicle that is registered as a motor vehicle in this state.

324.81116 Application for license by owner or dealer of ORV; filing; form; signature; fee; false information prohibited; issuance of license; validity; purchase and resale of ORV licenses; refunds; records; attachment of license to vehicle; license not required for vehicle used and stored outside state; lost or destroyed license.

Sec. 81116. (1) The owner of an ORV requiring licensure under this part shall file an application for a license with the department or a dealer on forms provided by the department. If an ORV is sold by a dealer, the application for a license shall be submitted to the department by the dealer in the name of the owner. The application shall be signed by the owner of the vehicle and shall be accompanied by a fee of \$16.25. A person shall not file an application for registration that contains false information. Upon receipt of the application in approved form and upon payment of the appropriate fee, the department or dealer shall issue to the applicant a license which shall be valid for the 12-month period for which it is issued. A license shall be issued for the 12-month period beginning April 1 and ending March 31 each year.

(2) Dealers may purchase from the department ORV licenses for resale to owners of vehicles requiring licensure under this part. The department shall refund to dealers the purchase price of any ORV licenses returned within 90 days after the end of the 12-month period for which they were valid. The dealer shall maintain and provide to the department records of ORV license sales on forms provided by the department. In addition to the sale of ORV licenses, a dealer engaged in the sale, lease, or rental of ORVs as a regular business may sell any other license or permit authorized by the department to be sold by other dealers under the statutes of this state.

(3) The license shall be permanently attached to the vehicle in the manner prescribed and in the location designated by the department before the vehicle may legally be operated in accordance with this part.

(4) If at the time of sale the purchaser certifies on a form provided by the department that the purchased vehicle otherwise requiring a license under this part will be used and stored outside of this state and will not be returned by the purchaser to this state for use, then a license is not required.

(5) If a license acquired by the owner of an ORV is lost or destroyed, the department shall provide that person with a replacement license free of charge. The department may require a person requesting a replacement license to supply sufficient evidence of the loss or destruction of the original license.

This act is ordered to take immediate effect.

Approved December 21, 2006.

Filed with Secretary of State December 21, 2006.

[No. 478]

(HB 6302)

AN ACT to amend 1999 PA 94, entitled “An act to create the Michigan merit award scholarship trust fund; to create the Michigan merit award scholarship board and prescribe the powers and duties of the board; and to provide for the Michigan merit award scholarship program,” by amending sections 2, 6, 7, 7a, 7b, and 8 (MCL 390.1452, 390.1456, 390.1457, 390.1457a, 390.1457b, and 390.1458), sections 2, 6, and 8 as amended and sections 7a and 7b as added by 2004 PA 595 and section 7 as amended by 2006 PA 241; and to repeal acts and parts of acts.

The People of the State of Michigan enact:

390.1452 Definitions.

Sec. 2. As used in this act:

(a) “Approved postsecondary educational institution” means any of the following:

(i) A degree or certificate granting public or private college or university, junior college, or community college.

(ii) A service academy.

(iii) An educational institution, other than an educational institution described in subparagraph (i) or (ii), granting degrees, certificates, or other recognized credentials and designated by the board as an approved postsecondary educational institution.

(iv) A program of an educational institution, other than an educational institution described in subparagraph (i) or (ii), granting degrees, certificates, or other recognized credentials and designated by the board as an approved postsecondary educational institution.

(b) “Assessment test” means the middle school assessment test or the high school assessment test.

(c) “Board” means the Michigan merit award board established in this act.

(d) “Department of career development” means the department of career development created in Executive Order No. 1999-1.

(e) “Eligible costs” means tuition and fees charged by an approved postsecondary educational institution; related costs for room, board, books, supplies, transportation, or day care; and other costs determined by the board.

(f) “Fiscal year” means the fiscal year of this state.

(g) “High school assessment test” means the state assessments described in section 1279 of the revised school code, 1976 PA 451, MCL 380.1279, and section 104a of the state school aid act, 1979 PA 94, MCL 388.1704a.

(h) “Michigan merit award scholarship” means a scholarship awarded by the board under section 7 or 7a.

(i) “Middle school assessment test” means the Michigan education assessment program (MEAP) subject area assessments given in grades 7 and 8 or any successor assessment test designated by the board.

(j) “Qualifying results” means assessment test results, scores, or ranges of scores determined by the board that qualify a pupil for a Michigan merit award scholarship under section 7 or 7a.

(k) “Service academy” means the United States military academy, United States naval academy, United States air force academy, United States coast guard academy, or United States merchant marine academy.

(l) “State board” means the state board of education.

(m) “Superintendent” means the superintendent of public instruction.

(n) “Trust fund” means the Michigan merit award trust fund established in section 9 of the Michigan trust fund act, 2000 PA 489, MCL 12.259.

390.1456 Conduct of business; compliance with open meetings act; availability of writings; availability of questions and answers; report on activities; changes of results, scores, or ranges.

Sec. 6. (1) The board shall conduct business in compliance with the open meetings act, 1976 PA 267, MCL 15.261 to 15.275. The board shall give public notice of the time, date, and place of meetings of the board in the manner required by the open meetings act, 1976 PA 267, MCL 15.261 to 15.275.

(2) The board shall meet not less than annually and shall keep a record of its proceedings. The board shall make any writing prepared, owned, used, in the possession of, or retained by the board in the performance of an official function available to the public in compliance with the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

(3) Except as provided in subsection (4), the board shall obtain and make available to the public all of the qualifying questions and answers, along with the corresponding answer

key, to a high school assessment test or a middle school assessment test administered at least 3 and not more than 5 years earlier.

(4) If any question is designated by the state board of education for use in a future high school assessment test or middle school assessment test for validity purposes, the board may elect not to make that question and the answer available to the public under subsection (3) for a period of up to 2 years from the date the assessment test that first includes the question is administered.

(5) By December 1 of each year, the board shall submit a report on its activities to the governor and to the legislature. The report shall contain all of the following information:

(a) A list of approved postsecondary educational institutions for the current and immediately preceding fiscal years.

(b) The number of Michigan merit award scholarships awarded and the total amount of Michigan merit award scholarship money paid in the immediately preceding fiscal year.

(c) A projection of revenues and expenditures from the trust fund for the current fiscal year and the next 10 fiscal years.

(d) The dollar amount of the Michigan merit award scholarships available under sections 7 and 7a in the current fiscal year, the amount of any adjustments to the dollar amount under sections 7(3) and 7a(2) from the beginning of the immediately preceding fiscal year, and any adjustments to the dollar amount projected for the remainder of the current fiscal year or for the next fiscal year.

(e) All of the following results, scores, or ranges of scores:

(i) Used as qualifying results in the immediately preceding fiscal year.

(ii) Determined by the board as qualifying results in the current fiscal year.

(iii) Projected by the board as qualifying results for the next fiscal year.

(f) For the immediately preceding fiscal year, the number of pupils who took the assessment tests, the number of pupils by subject area who received qualifying results, the number of graduating high school seniors who met the requirements for a Michigan merit award scholarship, and the total number of pupils who met the requirements for a Michigan merit award scholarship.

(g) The number of persons participating in and the amount awarded in the immediately preceding fiscal year under the tuition incentive program described in section 310 of 2003 PA 144 or a successor to that program.

(6) At least 60 days before changing the results, scores, or ranges of scores used as qualifying results, the board shall provide written notice of its intent to change the results, scores, or ranges of scores used as qualifying results, and a report explaining the board's decision to change the results, scores, or ranges of scores used as qualifying results, to the standing committees of the senate and the house of representatives that have primary jurisdiction over legislation pertaining to education. The standing committees shall review the board's report and may hold hearings on the board's decision.

390.1457 Michigan merit award scholarship program; establishment; administration; eligibility of students for award; adjustment of available amount.

Sec. 7. (1) The Michigan merit award scholarship program is established. The board shall administer the Michigan merit award scholarship program.

(2) Subject to section 7b(2) and (5), and to adjustment under subsection (3), each student enrolled in grade 11 in or after the 1998-1999 school year and graduated from high school before the 2006-2007 school year who meets the eligibility requirements of this subsection

and section 7b(1) is eligible for the award of a \$2,500.00 Michigan merit award scholarship if the student is enrolled in an approved postsecondary educational institution in this state or in a service academy. Subject to section 7b(2) and (5), and to adjustment under subsection (3), each student enrolled in grade 11 in or after the 1998-1999 school year who graduated from high school before the 2006-2007 school year and who meets the eligibility requirements of this subsection and section 7b(1) is eligible for the award of a \$1,000.00 Michigan merit award scholarship if the student is enrolled in an approved postsecondary educational institution outside this state other than a service academy. A student is eligible under this subsection if the board finds that the student while in high school had taken the high school assessment test in the subject areas of reading, writing, mathematics, and science and met 1 of the following:

(a) Received qualifying results in each of the subject areas of reading, writing, mathematics, and science.

(b) Did not receive qualifying results in 1 or 2 of the subject areas of reading, writing, mathematics, and science, but received an overall score in the top 25% of a nationally recognized college admission examination.

(c) Did not receive qualifying results in 1 or 2 of the subject areas of reading, writing, mathematics, and science, but received a qualifying score or scores as determined by the board on a nationally recognized job skills assessment test designated by the board.

(3) In any fiscal year, the board may adjust the amount of a Michigan merit award scholarship available to students eligible under 1 or more of subsections (2) and (4), based upon its determination of available resources and amounts appropriated, but the board shall not increase an amount by more than 5% in any fiscal year. The board shall notify the governor, the speaker of the house of representatives, and the majority leader of the senate in writing at least 30 days before an adjustment under this subsection.

(4) If a student who has previously received a \$1,000.00 Michigan merit award scholarship under this section as a student enrolled in an approved postsecondary educational institution outside of this state other than a service academy enrolls in an approved postsecondary educational institution in this state and meets the requirements of section 7b(1), and subject to adjustment under subsection (3), the student is eligible for the award of an additional \$1,500.00 Michigan merit award scholarship.

390.1457a Student taking middle school assessment test while in grades 7 and 8; eligibility for Michigan merit award scholarships; adjustment of amount.

Sec. 7a. (1) Subject to section 7b(2) and to adjustment under subsection (2), a student who was enrolled in grade 7 in or after the 1999-2000 school year and graduated from high school before the 2006-2007 school year, who meets the requirements of section 7b(1), and who the board finds has taken the middle school assessment test in each of the subject areas while in grades 7 and 8 is eligible for 1 of the following Michigan merit award scholarships:

(a) If the board finds that the student while in grades 7 and 8 received qualifying results in 2 of the subject areas of reading, writing, mathematics, and science, a Michigan merit award scholarship of \$250.00.

(b) If the board finds that the student while in grades 7 and 8 received qualifying results in 3 of the subject areas of reading, writing, mathematics, and science, a Michigan merit award scholarship of \$375.00.

(c) If the board finds that the student while in grades 7 and 8 received qualifying results in all of the subject areas of reading, writing, mathematics, and science, a Michigan merit award scholarship of \$500.00.

(2) In any fiscal year, the board may adjust the amount of a Michigan merit award scholarship available to students eligible under subsection (1) based upon its determination of available resources and amounts appropriated, but the board shall not increase an amount by more than 5% in any fiscal year. The board shall notify the governor, the speaker of the house of representatives, and the majority leader of the senate in writing at least 30 days before an adjustment under this subsection.

390.1457b Michigan merit award scholarship; eligibility requirements; failure to initially achieve qualifying results; nonpublic or home school pupil.

Sec. 7b. (1) In addition to the requirements set forth in section 7(2) or section 7a(1), to be eligible for the award of a Michigan merit award scholarship under this act, the board must find that a student satisfies all of the following:

(a) The student has graduated from high school or passed the general educational development (GED) test or other graduate equivalency examination approved by the state board.

(b) The student graduated from high school or passed the general educational development (GED) test or other graduate equivalency examination approved by the state board within 1 of the following time periods:

(i) If the student graduated from high school or passed the test or examination before March 1, 2002, within the 7-year period preceding the student's application to receive his or her Michigan merit award scholarship money.

(ii) If the student graduated from high school on or after March 1, 2002 and before the 2006-2007 school year, within the 4-year period preceding the date of the student's application to receive his or her Michigan merit award scholarship money, or if the student becomes a member of the United States armed forces or peace corps during this 4-year period and serves for 4 years or less, the 4-year period is extended by a period equal to the number of days the student served as a member of the United States armed forces or peace corps. The board may also extend the 4-year period if the board determines that an extension is warranted because of an illness or disability of the student or in the student's immediate family or another family emergency.

(c) The student is enrolled in an approved postsecondary educational institution. For students who qualify under section 7(2)(c), the student is enrolled in a vocational or technical education program at an approved postsecondary educational institution.

(d) The student has not been convicted of a felony involving an assault, physical injury, or death.

(e) The student satisfies any additional eligibility requirements established by the board.

(2) For a middle school assessment test or high school assessment test administered after January 1, 2000, the board shall not use that assessment test to determine eligibility for a Michigan merit award scholarship under this section for a particular year unless the board has reviewed and approved that assessment test before it was administered for that year.

(3) The board shall provide each pupil written notice of whether or not the pupil is eligible for the award of 1 or more Michigan merit award scholarships described in this act. If the pupil is eligible, the written notice shall also contain the Michigan merit award scholarship amount for which the pupil is eligible, how the pupil applies for payment of Michigan merit award scholarship, and any other information the board considers necessary regarding qualification requirements or conditions relating to the use of the Michigan merit award scholarship.

(4) It is the intent of the legislature that the level of pupil performance required to achieve qualifying results in a subject area of an assessment test remains approximately the same, and that the board not reduce the required level of pupil performance as a means of increasing the number of Michigan merit award scholarships awarded.

(5) A pupil who does not initially receive qualifying results shall be extended an opportunity to achieve the requisite qualifying results by taking a subsequent assessment test.

(6) A nonpublic school pupil or home school pupil may take, and the board shall administer if requested, an assessment test at a site designated by the board.

390.1458 Scholarship; use; payment; installments; consideration in determining financial aid program; certification or affirmation by student; request or application for payment; disbursement of funds.

Sec. 8. (1) Michigan merit award scholarship money shall be used only to pay for eligible costs.

(2) The board shall determine the manner and form of application for payment of a Michigan merit award scholarship by a student eligible under this act and the procedure for payment to the student or to an approved postsecondary educational institution on the student's behalf, subject to 1 of the following, as applicable:

(a) As determined by the board, upon the request of a student or parent or legal guardian of a minor student, the board may pay a Michigan merit award scholarship in 2 consecutive annual installments rather than 1 lump sum for a student who graduates from high school or passes the general educational development (GED) test or approved graduate equivalency examination before March 1, 2003.

(b) For each student who graduates from high school or passes the general educational development (GED) test or approved graduate equivalency examination on or after March 1, 2003 and before March 1, 2004, the board shall pay a Michigan merit award scholarship in 2 consecutive annual installments, beginning in the state fiscal year for which the student is otherwise eligible. The first installment shall not exceed 50% of the award amount, and the second installment shall consist of the remaining award amount. Verification that the student has met the enrollment criteria under section 7b(1)(c) is required before payment of the second installment.

(c) For each student who graduates from high school or passes the general educational development (GED) test or approved graduate equivalency examination on or after March 1, 2004 and before the 2006-2007 school year, the board shall pay a Michigan merit award scholarship in 2 consecutive annual installments, beginning in the state fiscal year that begins after the beginning of the academic year for which the student is otherwise eligible. The first installment shall not exceed 50% of the award amount, and the second installment shall consist of the remaining award amount. Verification that the student has met the enrollment criteria under section 7b(1)(c) is required before payment of the second installment.

(3) An approved postsecondary educational institution shall not consider a Michigan merit award scholarship in determining a student's eligibility for a financial aid program administered by this state. It is the intent of the legislature that an approved postsecondary educational institution not reduce institutionally-funded student aid because of the Michigan merit award scholarship program.

(4) Before payment of a Michigan merit award scholarship to a student or an approved postsecondary educational institution, the student shall certify or affirm in writing to the board each of the following:

(a) That the student is enrolled at an approved postsecondary educational institution.

(b) The name of the approved postsecondary educational institution in which the student is enrolled.

(c) That the student agrees to use the Michigan merit award scholarship only for eligible costs.

(d) That the student has not been convicted of a felony involving an assault, physical injury, or death.

(e) That the student graduated from high school or passed the general educational development (GED) test or approved graduate equivalency examination within 1 of the following time periods:

(i) If the student graduated from high school or passed the test or examination before March 1, 2002, within the 7-year period preceding the date of the student's application to receive his or her Michigan merit award scholarship.

(ii) If the student graduated on or after March 1, 2002 and before the 2006-2007 school year, within the 4-year period preceding the date of the student's application to receive his or her Michigan merit award scholarship, or within a period equal to 4 years plus the number of days the student served as a member of the United States armed forces or peace corps if the student became a member of the United States armed forces or peace corps during this 4-year period and served for 4 years or less. The board may also extend the 4-year period if the board determines that an extension is warranted because of an illness or disability of the student or in the student's immediate family or another family emergency.

(5) The board shall not begin disbursing funds for a Michigan merit award scholarship to a student or an approved postsecondary educational institution on behalf of the student unless it receives the request or application for payment, including the written certification or affirmation described in this section, from the student on or before 1 of the following dates, for disbursement in that academic year:

(a) In the 2002-2003 academic year, January 15.

(b) In the 2003-2004 academic year, September 15 if the student received notification of eligibility prior to August 1.

(c) In the 2003-2004 academic year, November 15 if the student received notification of eligibility on or after August 1.

(d) In the 2004-2005 academic year, December 15.

(e) In any other academic year, November 15.

Repeal of MCL 390.1451 to 390.1459.

Enacting section 1. The Michigan merit award scholarship act, 1999 PA 94, MCL 390.1451 to 390.1459, is repealed effective September 30, 2017.

Conditional effective date.

Enacting section 2. This amendatory act does not take effect unless Senate Bill No. 1335 of the 93rd Legislature is enacted into law.

This act is ordered to take immediate effect.

Approved December 21, 2006.

Filed with Secretary of State December 21, 2006.

[No. 479]**(SB 1335)**

AN ACT to provide for the administration of the Michigan promise grant program; to provide for the powers and duties of certain state officers and entities; and to repeal acts and parts of acts.

The People of the State of Michigan enact:

390.1621 Short title.

Sec. 1. This act shall be known and may be cited as the “Michigan promise grant act”.

390.1622 Definitions.

Sec. 2. As used in this act:

(a) “Academic year” means the period from September 1 of a calendar year to August 31 of the next calendar year.

(b) “Approved postsecondary educational institution” means any of the following:

(i) A public or private college or university, junior college, or community college that grants degrees or certificates and is located in this state.

(ii) A postsecondary educational institution, other than an educational institution described in subparagraph (i), that is located in this state, grants degrees, certificates, or other recognized credentials, and is designated by the department as an approved postsecondary educational institution.

(iii) A service academy.

(c) “Clock hour” means a time period consisting of any of the following:

(i) Fifty to 60 minutes of class, lecture, or recitation in a 60-minute period.

(ii) Fifty to 60 minutes of faculty-supervised laboratory work, shop training, or internship in a 60-minute period.

(iii) Sixty minutes of preparation in a correspondence course.

(d) “Cumulative grade point average” means the weighted mean value of the courses considered by an approved postsecondary educational institution in determining whether to award a student an associate’s degree or a 2-year certificate of completion in a vocational training program, whether the student has completed a comparable vocational education program, or whether the student has completed 50% or more of the academic requirements for the award of a bachelor’s degree, including any courses completed at another approved postsecondary educational institution if the student transfers the credits for those courses to the approved postsecondary educational institution making that determination.

(e) “Department” means the department of treasury.

(f) “Fiscal year” means a fiscal year of this state. A fiscal year begins on October 1 of a calendar year and ends on September 30 of the next calendar year.

(g) “High school graduate” means an individual who has received a high school diploma from a high school in this state or passed the general educational development (GED) diploma test or any other high school graduate equivalency examination approved by the state board of education.

(h) “Michigan promise grant” means a grant awarded by the department under this act.

(i) “Qualifying score” means a score in a reading, writing, mathematics, or science component of a state assessment test that has been determined by the superintendent of public instruction to indicate readiness to enroll in a course in that subject area in an approved postsecondary educational institution.

(j) “Service academy” means the United States military academy, United States naval academy, United States air force academy, United States coast guard academy, or United States merchant marine academy.

(k) “State assessment test” means the Michigan merit examination described in section 1279g of the revised school code, 1976 PA 451, MCL 380.1279g, and section 104b of the state school aid act of 1979, 1979 PA 94, MCL 388.1704b, or any other test administered by the department of education to students in grades 11 and 12 to assure state compliance with the federal no child left behind act of 2001, Public Law 107-110.

(l) “Trust fund” means the Michigan merit award trust fund established in section 9 of the Michigan trust fund act, 2000 PA 489, MCL 12.259.

390.1623 Report to governor and legislative standing committees; contents.

Sec. 3. By April 1 of each year, the department shall submit a report on its activities under this act to the governor and to the standing committees of the senate and house of representatives with primary jurisdiction over higher education issues. The report shall contain all of the following information:

(a) The number of Michigan promise grants and the amount of Michigan promise grant money paid by the department in the immediately preceding fiscal year.

(b) A list of the number of Michigan promise grants and the amount of Michigan promise grant money paid in the immediately preceding fiscal year at each approved postsecondary educational institution.

390.1624 Michigan promise grant program; establishment; eligibility requirements.

Sec. 4. (1) The Michigan promise grant program is established. The department shall provide Michigan promise grants under this act from the trust fund and administer the Michigan promise grant program.

(2) Subject to subsection (3), each student who becomes a high school graduate in or after the 2006-2007 academic year is eligible for the award of a Michigan promise grant in an amount determined under section 5 or 6.

(3) In addition to the requirements set forth in subsection (2), the department must find that a student meets all of the following eligibility requirements to award the student a Michigan promise grant under this act:

(a) The department has received a completed application for payment as described in section 7(1), including the certification described in section 7(2) or (3), if applicable, on or before the deadline established by the department.

(b) The student is a high school graduate and a resident of this state.

(c) The student meets 1 of the following:

(i) For a grant under section 5, the student was awarded an associate’s degree or a 2-year certificate of completion in a vocational training program at an approved postsecondary educational institution, completed a comparable vocational education program approved

by the department at an approved postsecondary educational institution, or completed 50% or more of the academic requirements for the award of a bachelor's degree at an approved postsecondary educational institution within 4 years of his or her initial enrollment in an approved postsecondary educational institution and meets 1 of the following:

(A) Has a cumulative grade point average of at least 2.5.

(B) If the student completed a vocational education program that does not record grades or grade point averages for its students, has successfully completed that program.

(i) For a grant under section 6, the student received a qualifying score in each of the reading, writing, mathematics, and science components of the state assessment test, and for each student who becomes a high school graduate in or after the 2010-2011 academic year, successfully completes at least 3 credits in mathematics as described in section 1278a(1)(a)(i) of the revised school code, 1976 PA 451, MCL 380.1278a, and 3 credits in science as described in section 1278b(1)(b) of the revised school code, 1976 PA 451, MCL 380.1278b.

(d) The student took the state assessment test.

(e) The student enrolled in an approved postsecondary educational institution within 2 years after he or she became a high school graduate. The department shall extend the 2-year period if the student becomes a member of the United States armed forces or peace corps during the 2-year period.

(f) The student did not previously receive a grant under this act or scholarship money under the Michigan merit award scholarship act, 1999 PA 94, MCL 390.1451 to 390.1459.

(g) The student meets any additional eligibility requirements established by the department.

390.1625 Grant amount; prorated amount; adjustment.

Sec. 5. (1) Subject to proration under subsection (2) and adjustment under subsection (3), a student who meets the eligibility requirement of section 4(3)(c)(i) and the other applicable eligibility requirements under section 4 shall receive a Michigan promise grant in the amount of \$4,000.00.

(2) If a student satisfies the eligibility requirement contained in section 4(3)(c) by completing a vocational training program that as determined by the department generally requires less than 2 years or fewer than 1,800 clock hours, as applicable, to complete, the student shall receive a prorated amount of the amount described in subsection (1) that reflects the number of clock hours necessary to complete the program, as determined by the department.

(3) If in any fiscal year the department determines that the amount appropriated by the legislature for the payment of Michigan promise grants is not sufficient to pay each eligible student the Michigan promise grant amount required under this section for an academic year, the department shall adjust the amount of Michigan promise grants paid under this section by prorating the amounts as necessary to reflect the available resources and amounts appropriated in that fiscal year. The department shall notify the governor, the speaker of the house of representatives, and the majority leader of the senate in writing at least 30 days before implementing a proration under this subsection.

390.1626 Payments; installments; adjustment.

Sec. 6. (1) Subject to proration under subsection (3) and adjustment under subsection (4), a student who meets the eligibility requirement of section 4(3)(c)(i) and the other applicable eligibility requirements under section 4 and this section shall receive a Michigan promise grant in the amount of \$4,000.00.

(2) Except for a student who is enrolled in a program described in subsection (3), the department shall pay a grant under subsection (1) as follows:

(a) One thousand dollars paid in the student's first academic year of enrollment at an approved postsecondary educational institution.

(b) One thousand dollars paid in the student's second academic year of enrollment at an approved postsecondary educational institution.

(c) The remainder of the amount of the grant after completion of 2 academic years of enrollment at an approved postsecondary educational institution. However, the student is not eligible for this installment, and forfeits any remaining grant amount to which he or she is otherwise entitled under this act, unless the student earned an associate's degree, earned a 2-year certificate of completion in a vocational education program, completed a comparable vocational training program approved by the department, or completed 50% or more of the academic requirements for the award of a bachelor's degree at an approved postsecondary educational institution within 4 years of his or her initial enrollment in that institution and meets 1 of the following:

(i) Has a cumulative grade point average of at least 2.5.

(ii) If the student completed a vocational education program that does not record grades or grade point averages for its students, has successfully completed that program.

(3) Subject to adjustment under subsection (4), a student who meets the eligibility requirement of section 4(3)(c)(ii) and the other applicable eligibility requirements under section 4 and this section, and who is enrolled in a vocational training program that as determined by the department generally requires less than 2 years or fewer than 1,800 clock hours, as applicable, to complete, shall receive a prorated amount of the amount described in subsection (1) determined by the department to reflect the number of clock hours necessary to complete the program.

(4) If in any fiscal year the department determines that the amount appropriated by the legislature for the payment of Michigan promise grants under this act is not sufficient to pay each eligible student the amount required under this section for the academic year, the department shall adjust the Michigan promise grant amounts paid under this section by prorating the amounts as necessary to reflect the available resources and amounts appropriated in that fiscal year. The department shall notify the governor, the speaker of the house of representatives, and the majority leader of the senate in writing at least 30 days before implementing a proration under this subsection.

390.1627 Application; manner and form; certification; effect of grant on eligibility for financial aid.

Sec. 7. (1) The department shall determine the manner and form of application to receive a Michigan promise grant under section 5 or a grant installment under section 6.

(2) A student shall include a written certification to the department in his or her application to receive a Michigan promise grant under section 5 that contains both of the following:

(a) His or her certification that he or she was awarded an associate's degree or a 2-year certificate of completion in a vocational education program, completed a comparable vocational training program approved by the department, or completed 50% or more of the academic requirements in a bachelor's degree program at an approved postsecondary educational institution.

(b) The name of the approved postsecondary educational institution at which the student was awarded the associate's degree or 2-year certificate of completion in a vocational education program, completed the comparable vocational training program approved by the department, or completed 50% or more of the academic requirements in a bachelor's degree

program and the name of any other approved postsecondary educational institution the student attended if credits from that institution were transferred to and considered by the approved postsecondary educational institution in determining whether to award the student the associate's degree or 2-year certificate of completion in a vocational training program, whether the student had completed a comparable vocational education program, or whether the student had completed 50% or more of the academic requirements for the award of a bachelor's degree.

(3) A student shall include a written certification to the department in his or her application to receive a Michigan promise grant installment payment under section 6 that contains both of the following:

(a) His or her certification that he or she meets the requirements of section 4(3)(c)(ii).

(b) His or her certification that he or she is enrolled in an approved postsecondary educational institution and the name of the approved postsecondary educational institution.

(4) An approved postsecondary educational institution shall not consider a Michigan promise grant in determining a student's eligibility for a financial aid program administered by this state. It is the intent of the legislature that an approved postsecondary educational institution does not reduce other institutionally funded student aid for which a student is eligible because of the student's receipt of or eligibility for a Michigan promise grant.

390.1628 Payment to approved postsecondary educational institution; application of money to student's outstanding indebtedness and remaining balance; rules.

Sec. 8. (1) The department shall pay a Michigan promise grant under section 5 or a grant installment under section 6 to an approved postsecondary educational institution on the student's behalf, according to a payment procedure established by the department.

(2) An approved postsecondary educational institution shall apply money received under subsection (1) on a student's behalf to the student's outstanding indebtedness, if any, and pay the remaining balance as follows:

(a) Unless subdivision (b) applies, to the student.

(b) If the money received by the institution under this subsection is a grant installment under section 6(2)(a) or (b) and the student elects to leave an approved postsecondary educational institution without completing the classes in which he or she enrolled, to the department. The student has no further right to any money returned to the department under this subdivision.

(3) Subsection (2) shall not be considered as creating an obligation on the part of an approved postsecondary educational institution to loan or advance money to a student for the payment of tuition, fees, or other costs or expenses incurred by the student at that institution.

(4) The department may promulgate rules to implement and administer this act, including, but not limited to, 1 or more of the following:

(a) Rules establishing the department's administrative procedures for the Michigan promise grant program.

(b) Rules governing the qualification requirements for or the award of Michigan promise grants under this act.

(c) Rules establishing an appeals process from a determination of ineligibility for a Michigan promise grant.

(d) Rules establishing what information or reports a student or an approved postsecondary educational institution must provide to establish eligibility and when that information or those reports must be provided.

(e) Rules prescribing the reports to be made by a student awarded a Michigan promise grant and by an approved postsecondary educational institution to which a Michigan promise grant is paid.

Repeal of MCL 390.1451 to 390.1459.

Enacting section 1. The Michigan merit award scholarship act, 1999 PA 94, MCL 390.1451 to 390.1459, is repealed effective September 30, 2017.

This act is ordered to take immediate effect.

Approved December 21, 2006.

Filed with Secretary of State December 21, 2006.

[No. 480]

(HB 6456)

AN ACT to provide for uniform video service local franchises; to promote competition in providing video services in this state; to ensure local control of rights-of-way; to provide for fees payable to local units of government; to provide for local programming; to prescribe the powers and duties of certain state and local agencies and officials; and to provide for penalties.

The People of the State of Michigan enact:

484.3301 Short title; definitions.

Sec. 1. (1) This act shall be known and may be cited as the “uniform video services local franchise act”.

(2) As used in this act:

(a) “Cable operator” means that term as defined in 47 USC 522(5).

(b) “Cable service” means that term as defined in 47 USC 522(6).

(c) “Cable system” means that term as defined in 47 USC 522(7).

(d) “Commission” means the Michigan public service commission.

(e) “Franchising entity” means the local unit of government in which a provider offers video services through a franchise.

(f) “Household” means a house, an apartment, a mobile home, or any other structure or part of a structure intended for residential occupancy as separate living quarters.

(g) “Incumbent video provider” means a cable operator serving cable subscribers or a telecommunication provider providing video services through the provider’s existing telephone exchange boundaries in a particular franchise area within a local unit of government on the effective date of this act.

(h) “IPTV” means internet protocol television.

(i) “Local unit of government” means a city, village, or township.

(j) “Low-income household” means a household with an average annual household income of less than \$35,000.00 as determined by the most recent decennial census.

(k) “Open video system” or “OVS” means that term as defined in 47 USC 573.

(l) “Person” means an individual, corporation, association, partnership, governmental entity, or any other legal entity.

(m) “Public rights-of-way” means the area on, below, or above a public roadway, highway, street, public sidewalk, alley, waterway, or utility easements dedicated for compatible uses.

(n) “Uniform video service local franchise agreement” or “franchise agreement” means the franchise agreement required under this act to be the operating agreement between each franchising entity and video provider in this state.

(o) “Video programming” means that term as defined in 47 USC 522(20).

(p) “Video service” means video programming, cable services, IPTV, or OVS provided through facilities located at least in part in the public rights-of-way without regard to delivery technology, including internet protocol technology. This definition does not include any video programming provided by a commercial mobile service provider defined in 47 USC 332(d) or provided solely as part of, and via, a service that enables users to access content, information, electronic mail, or other services offered over the public internet.

(q) “Video service provider” or “provider” means a person authorized under this act to provide video service.

(r) “Video service provider fee” means the amount paid by a video service provider or incumbent video provider under section 6.

484.3302 Uniform video service local franchise agreement; form; provisions.

Sec. 2. (1) No later than 30 days from the effective date of this act, the commission shall issue an order establishing the standardized form for the uniform video service local franchise agreement to be used by each franchising entity in this state.

(2) Except as otherwise provided by this act, a person shall not provide video services in any local unit of government without first obtaining a uniform video service local franchise as provided under section 3.

(3) The uniform video service local franchise agreement created under subsection (1) shall include all of the following provisions:

(a) The name of the provider.

(b) The address and telephone number of the provider’s principal place of business.

(c) The name of the provider’s principal executive officers and any persons authorized to represent the provider before the franchising entity and the commission.

(d) If the provider is not an incumbent video provider, the date on which the provider expects to provide video services in the area identified under subdivision (e).

(e) An exact description of the video service area footprint to be served, as identified by a geographic information system digital boundary meeting or exceeding national map accuracy standards. For providers with 1,000,000 or more access lines in this state using telecommunication facilities to provide video services, the footprint shall be identified in terms of entire wire centers or exchanges. An incumbent video provider satisfies this requirement by allowing a franchising entity to seek right-of-way related information comparable to that required by a permit under the metropolitan extension telecommunications rights-of-way oversight act, 2002 PA 48, MCL 484.3101 to 484.3120, as set forth in its last cable franchise or consent agreement from the franchising entity entered before the effective date of this act.

(f) A requirement that the provider pay the video service provider fees required under section 6.

(g) A requirement that the provider file in a timely manner with the federal communications commission all forms required by that agency in advance of offering video service in this state.

(h) A requirement that the provider agrees to comply with all valid and enforceable federal and state statutes and regulations.

(i) A requirement that the provider agrees to comply with all valid and enforceable local regulations regarding the use and occupation of public rights-of-way in the delivery of the video service, including the police powers of the franchising entity.

(j) A requirement that the provider comply with all federal communications commission requirements involving the distribution and notification of federal, state, and local emergency messages over the emergency alert system applicable to cable operators.

(k) A requirement that the provider comply with the public, education, and government programming requirements of section 4.

(l) A requirement that the provider comply with all customer service rules of the federal communications commission under 47 CFR 76.309(c) applicable to cable operators and applicable provisions of the Michigan consumers protection act, 1976 PA 331, MCL 445.901 to 445.922.

(m) A requirement that the provider comply with the consumer privacy requirements of 47 USC 551 applicable to cable operators.

(n) A requirement that the provider comply with in-home wiring and consumer premises wiring rules of the federal communications commission applicable to cable operators.

(o) A requirement that an incumbent video provider comply with the terms which provide insurance for right-of-way related activities that are contained in its last cable franchise or consent agreement from the franchising entity entered before the effective date of this act.

(p) A grant of authority by the franchising entity to provide video service in the video service area footprint as described under subdivision (e).

(q) A grant of authority by the franchising entity to use and occupy the public rights-of-way in the delivery of the video service, subject to the laws of this state and the police powers of the franchising entity.

(r) A requirement that the parties to the agreement are subject to the provisions of this act.

(s) The penalties provided for under section 14.

484.3303 Franchise agreement with local unit of government; notice of completion; approval; transferability; termination or modification; notice of change in information; duration of franchise; renewal; certain conditions prohibited.

Sec. 3. (1) Before offering video services within the boundaries of a local unit of government the video provider shall enter into or possess a franchise agreement with the local unit of government as required by this act.

(2) A franchising entity shall notify the provider as to whether the submitted franchise agreement is complete as required by this act within 15 business days after the date that the franchise agreement is filed. If the franchise agreement is not complete, the franchising entity shall state in its notice the reasons the franchise agreement is incomplete.

(3) A franchising entity shall have 30 days after the submission date of a complete franchise agreement to approve the agreement. If the franchising entity does not notify the provider regarding the completeness of the franchise agreement or approve the franchise

agreement within the time periods required under this subsection, the franchise agreement shall be considered complete and the franchise agreement approved.

(4) The uniform video service local franchise agreement issued by a franchising entity or an existing franchise of an incumbent video service provider is fully transferable to any successor in interest to the provider to which it is initially granted. A notice of transfer shall be filed with the franchising entity within 15 days of the completion of the transfer.

(5) The uniform video service local franchise agreement issued by a franchising entity may be terminated or the video service area footprint may be modified, except as provided under section 9, by the provider by submitting notice to the franchising entity.

(6) If any of the information contained in the franchise agreement changes, the provider shall timely notify the franchising entity.

(7) The uniform video service local franchise shall be for a period of 10 years from the date it is issued. Before the expiration of the initial franchise agreement or any subsequent renewals, the provider may apply for an additional 10-year renewal under this section.

(8) As a condition to obtaining or holding a franchise, a franchising entity shall not require a video service provider to obtain any other franchise, assess any other fee or charge, or impose any other franchise requirement than is allowed under this act. For purposes of this subsection, a franchise requirement includes, but is not limited to, a provision regulating rates charged by video service providers, requiring the video service providers to satisfy any build-out requirements, or a requirement for the deployment of any facilities or equipment.

484.3304 Public, education, and government access channels; availability; manner of retransmission; interconnection; editorial control; liability; access to signals of local broadcast television station; prohibited conduct by provider; use of reception technology; use for noncommercial purposes; applicability of subsections (7) to (11); request specifying number of channels in actual use.

Sec. 4. (1) A video service provider shall designate a sufficient amount of capacity on its network to provide for the same number of public, education, and government access channels that are in actual use on the incumbent video provider system on the effective date of this act or as provided under subsection (14).

(2) Any public, education, or government channel provided under this section that is not utilized by the franchising entity for at least 8 hours per day for 3 consecutive months may no longer be made available to the franchising entity and may be programmed at the provider's discretion. At such time as the franchising entity can certify a schedule for at least 8 hours of daily programming for a period of 3 consecutive months, the provider shall restore the previously reallocated channel.

(3) The franchising entity shall ensure that all transmissions, content, or programming to be retransmitted by a video service provider is provided in a manner or form that is capable of being accepted and retransmitted by a provider, without requirement for additional alteration or change in the content by the provider, over the particular network of the provider, which is compatible with the technology or protocol utilized by the provider to deliver services.

(4) A video service provider may request that an incumbent video provider interconnect with its video system for the sole purpose of providing access to video programming that is being provided over public, education, and government channels for a franchising entity that is served by both providers. Where technically feasible, interconnection shall be allowed

under an agreement of the parties. The video service provider and incumbent video provider shall negotiate in good faith and may not unreasonably withhold interconnection. Interconnection may be accomplished by any reasonable method as agreed to by the providers. The requesting video service provider shall pay the construction, operation, maintenance, and other costs arising out of the interconnection, including the reasonable costs incurred by the incumbent provider.

(5) The person producing the broadcasts is solely responsible for all content provided over designated public, education, or government channels. A video service provider shall not exercise any editorial control over any programming on any channel designed for public, education, or government use.

(6) A video service provider is not subject to any civil or criminal liability for any program carried on any channel designated for public, education, or government use.

(7) Except as otherwise provided in subsection (8), a provider shall provide subscribers access to the signals of the local broadcast television station licensed by the federal communications commission to serve those subscribers over the air. This section does not apply to a low-power station unless the station is a qualified low-power station as defined under 47 USC 534(h)(2). A provider is required to only carry digital broadcast signals to the extent that a broadcast television station has the right under federal law or regulation to demand carriage of the digital broadcast signals by a cable operator on a cable system.

(8) To facilitate access by subscribers of a video service provider to the signals of local broadcast stations under this section, a station either shall be granted mandatory carriage or may request retransmission consent with the provider.

(9) A provider shall transmit, without degradation, the signals a local broadcast station delivers to the provider. A provider is not required to provide a television station valuable consideration in exchange for carriage.

(10) A provider shall not do either of the following:

(a) Discriminate among or between broadcast stations and programming providers with respect to transmission of their signals, taking into account any consideration afforded the provider by the programming provider or broadcast station. In no event shall the signal quality as retransmitted by the provider be required to be superior to the signal quality of the broadcast stations as received by the provider from the broadcast television station.

(b) Delete, change, or alter a copyright identification transmitted as part of a broadcast station's signal.

(11) A provider shall not be required to utilize the same or similar reception technology as the broadcast stations or programming providers.

(12) A public, education, or government channel shall only be used for noncommercial purposes.

(13) Subsections (7) to (11) apply only to a video service provider that delivers video programming in a video service area where the provider is not regulated as a cable operator under federal law.

(14) If a franchising entity seeks to utilize capacity designated under subsection (1) or an agreement under section 13 to provide access to video programming over 1 or more public, governmental, and education channels, the franchising entity shall give the provider a written request specifying the number of channels in actual use on the incumbent video provider's system or specified in the agreement entered into under section 13. The video service provider shall have 90 days to begin providing access as requested by the franchising entity.

484.3305 Renewal or extension of existing franchise agreement; unreasonable and unenforceable provisions; burdensome terms, conditions, or requirements.

Sec. 5. (1) As of the effective date of this act, no existing franchise agreement with a franchising entity shall be renewed or extended upon the expiration date of the agreement.

(2) The incumbent video provider, at its option, may continue to provide video services to the franchising entity by electing to do 1 of the following:

(a) Terminate the existing franchise agreement before the expiration date of the agreement and enter into a new franchise under a uniform video service local franchise agreement.

(b) Continue under the existing franchise agreement amended to include only those provisions required under a uniform video service local franchise.

(c) Continue to operate under the terms of an expired franchise until a uniform video service local franchise agreement takes effect. An incumbent video provider has 120 days after the effective date of this act to file for a uniform video service local franchise agreement.

(3) On the effective date of this act, any provisions of an existing franchise that are inconsistent with or in addition to the provisions of a uniform video service local franchise agreement are unreasonable and unenforceable by the franchising entity.

(4) If a franchising entity authorizes 2 or more video service providers through an existing franchise, a uniform video service local franchise agreement, or an agreement under section 13, the franchising entity shall not enforce any term, condition, or requirement of any franchise agreement that is more burdensome than the terms, conditions, or requirements contained in another franchise agreement.

484.3306 Video service provider fee; payment; “gross revenues” defined; calculation; additional fee; credits; assessment; inapplicability of subsection after December 31, 2009.

Sec. 6. (1) A video service provider shall calculate and pay an annual video service provider fee to the franchising entity. The fee shall be 1 of the following:

(a) If there is an existing franchise agreement, an amount equal to the percentage of gross revenues paid to the franchising entity by the incumbent video provider with the largest number of subscribers in the franchising entity.

(b) At the expiration of an existing franchise agreement or if there is no existing franchise agreement, an amount equal to the percentage of gross revenues as established by the franchising entity not to exceed 5% and shall be applicable to all providers.

(2) The fee due under subsection (1) shall be due on a quarterly basis and paid within 45 days after the close of the quarter. Each payment shall include a statement explaining the basis for the calculation of the fee.

(3) The franchising entity shall not demand any additional fees or charges from a provider and shall not demand the use of any other calculation method other than allowed under this act.

(4) For purposes of this section, “gross revenues” means all consideration of any kind or nature, including, without limitation, cash, credits, property, and in-kind contributions received by the provider from subscribers for the provision of video service by the video service provider within the jurisdiction of the franchising entity. Gross revenues shall include all of the following:

(a) All charges and fees paid by subscribers for the provision of video service, including equipment rental, late fees, insufficient funds fees, fees attributable to video service when

sold individually or as part of a package or bundle, or functionally integrated, with services other than video service.

(b) Any franchise fee imposed on the provider that is passed on to subscribers.

(c) Compensation received by the provider for promotion or exhibition of any products or services over the video service.

(d) Revenue received by the provider as compensation for carriage of video programming on that provider's video service.

(e) All revenue derived from compensation arrangements for advertising attributable to the local franchise area.

(f) Any advertising commissions paid to an affiliated third party for video service advertising.

(5) Gross revenues do not include any of the following:

(a) Any revenue not actually received, even if billed, such as bad debt net of any recoveries of bad debt.

(b) Refunds, rebates, credits, or discounts to subscribers or a municipality to the extent not already offset by subdivision (a) and to the extent the refund, rebate, credit, or discount is attributable to the video service.

(c) Any revenues received by the provider or its affiliates from the provision of services or capabilities other than video service, including telecommunications services, information services, and services, capabilities, and applications that may be sold as part of a package or bundle, or functionally integrated, with video service.

(d) Any revenues received by the provider or its affiliates for the provision of directory or internet advertising, including yellow pages, white pages, banner advertisement, and electronic publishing.

(e) Any amounts attributable to the provision of video service to customers at no charge, including the provision of such service to public institutions without charge.

(f) Any tax, fee, or assessment of general applicability imposed on the customer or the transaction by a federal, state, or local government or any other governmental entity, collected by the provider, and required to be remitted to the taxing entity, including sales and use taxes.

(g) Any forgone revenue from the provision of video service at no charge to any person, except that any forgone revenue exchanged for trades, barter, services, or other items of value shall be included in gross revenue.

(h) Sales of capital assets or surplus equipment.

(i) Reimbursement by programmers of marketing costs actually incurred by the provider for the introduction of new programming.

(j) The sale of video service for resale to the extent the purchaser certifies in writing that it will resell the service and pay a franchise fee with respect to the service.

(6) In the case of a video service that is bundled or integrated functionally with other services, capabilities, or applications, the portion of the video provider's revenue attributable to the other services, capabilities, or applications shall be included in gross revenue unless the provider can reasonably identify the division or exclusion of the revenue from its books and records that are kept in the regular course of business.

(7) Revenue of an affiliate shall be included in the calculation of gross revenues to the extent the treatment of the revenue as revenue of the affiliate has the effect of evading the payment of franchise fees which would otherwise be paid for video service.

(8) In addition to the fee required under subsection (1), a video service provider shall pay to the franchising entity as support for the cost of public, education, and government access facilities and services an annual fee equal to 1 of the following:

(a) If there is an existing franchise on the effective date of this act, the fee paid to the franchising entity by the incumbent video provider with the largest number of cable service subscribers in the franchising entity as determined by the existing franchise agreement.

(b) At the expiration of the existing franchise agreement, the amount required under subdivision (a) not to exceed 2% of gross revenues.

(c) If there is no existing franchise agreement, a percentage of gross revenues as established by the franchising entity not to exceed 2% to be determined by a community need assessment.

(d) An amount agreed to by the franchising entity and the video service provider.

(9) The fee required under subsection (8) shall be applicable to all providers.

(10) The fee due under subsection (8) shall be due on a quarterly basis and paid within 45 days after the close of the quarter. Each payment shall include a statement explaining the basis for the calculation of the fee.

(11) A video service provider is entitled to a credit applied toward the fees due under subsection (1) for all funds allocated to the franchising entity from annual maintenance fees paid by the provider for use of public rights-of-way, minus any property tax credit allowed under section 8 of the metropolitan extension telecommunications rights-of-way oversight act, 2002 PA 48, MCL 484.3108. The credits shall be applied on a monthly pro rata basis beginning in the first month of each calendar year in which the franchising entity receives its allocation of funds. The credit allowed under this subsection shall be calculated by multiplying the number of linear feet occupied by the provider in the public rights-of-way of the franchising entity by the lesser of 5 cents or the amount assessed under the metropolitan extension telecommunications rights-of-way oversight act, 2002 PA 48, MCL 484.3101 to 484.3120. A video service provider is not eligible for a credit under this subsection unless the provider has taken all property tax credits allowed under the metropolitan extension telecommunications rights-of-way oversight act, 2002 PA 48, MCL 484.3101 to 484.3120.

(12) All determinations and computations made under this section shall be pursuant to generally accepted accounting principles.

(13) The commission within 30 days after the enactment into law of any appropriation to it shall ascertain the amount of the appropriation attributable to the actual costs to the commission in exercising its duties under this act and shall be assessed against each video service provider doing business in this state. Each provider shall pay a portion of the total assessment in the same proportion that its number of subscribers for the preceding calendar year bears to the total number of video service subscribers in the state. The first assessment made under this act shall be based on the commission's estimated number of subscribers for each provider in the year that the appropriation is made. The total assessment under this subsection shall not exceed \$1,000,000.00 annually. This subsection does not apply after December 31, 2009.

484.3307 Audits; claims for unpaid fees or refunds; identification and collection as separate line item.

Sec. 7. (1) No more than every 24 months, a franchising entity may perform reasonable audits of the video service provider's calculation of the fees paid under section 6 to the franchising entity during the preceding 24-month period only. All records reasonably necessary for the audits shall be made available by the provider at the location where the records are

kept in the ordinary course of business. The franchising entity and the video service provider shall each be responsible for their respective costs of the audit. Any additional amount due verified by the franchising entity shall be paid by the provider within 30 days of the franchising entity's submission of an invoice for the sum. If the sum exceeds 5% of the total fees which the audit determines should have been paid for the 24-month period, the provider shall pay the franchising entity's reasonable costs of the audit.

(2) Any claims by a franchising entity that fees have not been paid as required under section 6, and any claims for refunds or other corrections to the remittance of the provider, shall be made within 3 years from the date the compensation is remitted.

(3) Any video service provider may identify and collect as a separate line item on the regular monthly bill of each subscriber an amount equal to the percentage established under section 6(1) applied against the amount of the subscriber's monthly bill.

(4) A video service provider may identify and collect as a separate line item on the regular monthly bill of each subscriber an amount equal to the percentage established under section 6(8) applied against the amount of the subscriber's monthly bill.

484.3308 Installation, construction, and maintenance of video service or communications network within public right-of-way; access; fee; limitation.

Sec. 8. (1) A franchising entity shall allow a video service provider to install, construct, and maintain a video service or communications network within a public right-of-way and shall provide the provider with open, comparable, nondiscriminatory, and competitively neutral access to the public right-of-way.

(2) A franchising entity may not discriminate against a video service provider to provide video service for any of the following:

(a) The authorization or placement of a video service or communications network in public rights-of-way.

(b) Access to a building owned by a governmental entity.

(c) A municipal utility pole attachment.

(3) A franchising entity may impose on a video service provider a permit fee only to the extent it imposes such a fee on incumbent video providers, and any fee shall not exceed the actual, direct costs incurred by the franchising entity for issuing the relevant permit. A fee under this section shall not be levied if the video service provider already has paid a permit fee of any kind in connection with the same activity that would otherwise be covered by the permit fee under this section or is otherwise authorized by law or contract to place the facilities used by the video service provider in the public rights-of-way or for general revenue purposes.

484.3309 Denial of service access due to race or income; defense to violation of subsection (1); video service requirements; number of households; report on compliance with subsections (2) and (3); use of alternative technology; waiver or time extension; service outside provider's existing telephone exchange boundaries not required; mandatory build-out or deployment provisions, schedules, or requirements.

Sec. 9. (1) A video service provider shall not deny access to service to any group of potential residential subscribers because of the race or income of the residents in the local area in which the group resides.

(2) It is a defense to an alleged violation of subsection (1) if the provider has met either of the following conditions:

(a) Within 3 years of the date it began providing video service under this act, at least 25% of households with access to the provider's video service are low-income households.

(b) Within 5 years of the date it began providing video service under this act and from that point forward, at least 30% of the households with access to the provider's video service are low-income households.

(3) If a video service provider is using telecommunication facilities to provide video services and has more than 1,000,000 telecommunication access lines in this state, the provider shall provide access to its video service to a number of households equal to at least 25% of the households in the provider's telecommunication service area in the state within 3 years of the date it began providing video service under this act and to a number not less than 50% of these households within 6 years. A video service provider is not required to meet the 50% requirement in this subsection until 2 years after at least 30% of the households with access to the provider's video service subscribe to the service for 6 consecutive months.

(4) Each provider shall file an annual report with the franchising entity and the commission regarding the progress that has been made toward compliance with subsections (2) and (3).

(5) Except for satellite service, a video service provider may satisfy the requirements of this section through the use of alternative technology that offers service, functionality, and content, which is demonstrably similar to that provided through the provider's video service system and may include a technology that does not require the use of any public right-of-way. The technology utilized to comply with the requirements of this section shall include local public, education, and government channels and messages over the emergency alert system as required under section 4.

(6) A video service provider may apply to the franchising entity, and, in the case of subsection (3), the commission, for a waiver of or for an extension of time to meet the requirements of this section if 1 or more of the following apply:

(a) The inability to obtain access to public and private rights-of-way under reasonable terms and conditions.

(b) Developments or buildings not being subject to competition because of existing exclusive service arrangements.

(c) Developments or buildings being inaccessible using reasonable technical solutions under commercial reasonable terms and conditions.

(d) Natural disasters.

(e) Factors beyond the control of the provider.

(7) The franchising entity or commission may grant the waiver or extension only if the provider has made substantial and continuous effort to meet the requirements of this section. If an extension is granted, the franchising entity or commission shall establish a new compliance deadline. If a waiver is granted, the franchising entity or commission shall specify the requirement or requirements waived.

(8) Notwithstanding any other provision of this act, a video service provider using telephone facilities to provide video service is not obligated to provide such service outside the provider's existing telephone exchange boundaries.

(9) Notwithstanding any other provision of this act, a video service provider shall not be required to comply with, and a franchising entity may not impose or enforce, any mandatory

build-out or deployment provisions, schedules, or requirements except as required by this section.

484.3310 Prohibited conduct; establishment of dispute resolution process; review by commission; notice to customers.

Sec. 10. (1) A video service provider shall not do in connection with the providing of video services to its subscribers and the commission may enforce compliance with any of the following to the extent that the activities are not covered by section 2(3)(l):

(a) Make a statement or representation, including the omission of material information, regarding the rates, terms, or conditions of providing video service that is false, misleading, or deceptive. As used in this subdivision, “material information” includes, but is not limited to, all applicable fees, taxes, and charges that will be billed to the subscriber, regardless of whether the fees, taxes, or charges are authorized by state or federal law.

(b) Charge a customer for a subscribed service for which the customer did not make an initial affirmative order. Failure to refuse an offered or proposed subscribed service is not an affirmative order for the service.

(c) If a customer has canceled a service, charge the customer for service provided after the effective date the service was canceled.

(d) Cause a probability of confusion or a misunderstanding as to the legal rights, obligations, or remedies of a party to a transaction by making a false, deceptive, or misleading statement or by failing to inform the customer of a material fact, the omission of which is deceptive or misleading.

(e) Represent or imply that the subject of a transaction will be provided promptly, or at a specified time, or within a reasonable time, if the provider knows or has reason to know that it will not be so provided.

(f) Cause coercion and duress as a result of the time and nature of a sales presentation.

(2) Each video service provider shall establish a dispute resolution process for its customers. Each provider shall maintain a local or toll-free telephone number for customer service contact.

(3) The commission shall submit to the legislature no later than June 1, 2007 a proposed process to be added to this act that would allow the commission to review disputes which are not resolved under subsection (2), disputes between a provider and a franchising entity, and disputes between providers.

(4) Each provider shall notify its customers of the dispute resolution process created under this section.

484.3311 Confidentiality.

Sec. 11. (1) Except under the terms of a mandatory protective order, trade secrets and commercial or financial information submitted under this act to the franchising entity or commission are exempt from the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

(2) If information is disclosed under a mandatory protective order, then the franchising entity or commission may use the information for the purpose for which it is required, but the information shall remain confidential.

(3) There is a rebuttable presumption that costs studies, customer usage data, marketing studies and plans, and contracts are trade secrets or commercial or financial information protected under subsection (1). The burden of removing the presumption under this subsection is with the party seeking to have the information disclosed.

484.3312 Administration of act; limitations; report.

Sec. 12. (1) The commission's authority to administer this act is limited to the powers and duties explicitly provided for under this act, and the commission shall not have the authority to regulate or control a provider under this act as a public utility.

(2) The commission shall file a report with the governor and legislature by February 1 of each year that shall include information on the status of competition for video services in this state and recommendations for any needed legislation. A video service provider shall submit to the commission any information requested by the commission necessary for the preparation of the annual report required under this subsection. The obligation of a video service provider under this subsection is limited to the submission of information generated or gathered in the normal course of business.

484.3313 Voluntary franchise agreement.

Sec. 13. This act does not prohibit a local unit of government and a video service provider from entering into a voluntary franchise agreement that includes terms and conditions different than those required under this act, including, but not limited to, a reduction in the franchise fee in return for the video service provider making available to the franchising entity services, equipment, capabilities, or other valuable consideration. This section does not apply unless for each provider servicing the franchise entity it is technically feasible and commercially practicable to comply with similar terms and conditions in the franchise agreement and it is offered to the other provider.

484.3314 Violation; remedies and penalties; costs; appeal and review.

Sec. 14. (1) After notice and hearing, if the commission finds that a person has violated this act, the commission shall order remedies and penalties to protect and make whole persons who have suffered damages as a result of the violation, including, but not limited to, 1 or more of the following:

(a) Except as otherwise provided under subdivision (b), order the person to pay a fine for the first offense of not less than \$1,000.00 or more than \$20,000.00. For a second and any subsequent offense, the commission shall order the person to pay a fine of not less than \$2,000.00 or more than \$40,000.00.

(b) If the video service provider has less than 250,000 telecommunication access lines in this state, order the person to pay a fine for the first offense of not less than \$200.00 or more than \$500.00. For a second and any subsequent offense, the commission shall order the person to pay a fine of not less than \$500.00 or more than \$1,000.00.

(c) If the person has received a uniform video service local franchise, revoke the franchise.

(d) Issue cease and desist orders.

(2) Notwithstanding subsection (1), a fine shall not be imposed for a violation of this act if the provider has otherwise fully complied with this act and shows that the violation was an unintentional and bona fide error notwithstanding the maintenance of procedures reasonably adopted to avoid the error. Examples of a bona fide error include clerical, calculation, computer malfunction, programming, or printing errors. An error in legal judgment with respect to a person's obligations under this act is not a bona fide error. The burden of proving that a violation was an unintentional and bona fide error is on the provider.

(3) If the commission finds that a party's complaint or defense filed under this section is frivolous, the commission shall award to the prevailing party costs, including reasonable attorney fees, against the nonprevailing party and their attorney.

(4) Any party of interest shall have the same rights to appeal and review an order or finding of the commission under this act as provided under the Michigan telecommunications act, 1991 PA 179, MCL 484.2101 to 484.2604.

Effective date.

Enacting section 1. This act takes effect January 1, 2007.

This act is ordered to take immediate effect.

Approved December 21, 2006.

Filed with Secretary of State December 21, 2006.

[No. 481]

(SB 465)

AN ACT to amend 1978 PA 368, entitled “An act to protect and promote the public health; to codify, revise, consolidate, classify, and add to the laws relating to public health; to provide for the prevention and control of diseases and disabilities; to provide for the classification, administration, regulation, financing, and maintenance of personal, environmental, and other health services and activities; to create or continue, and prescribe the powers and duties of, departments, boards, commissions, councils, committees, task forces, and other agencies; to prescribe the powers and duties of governmental entities and officials; to regulate occupations, facilities, and agencies affecting the public health; to regulate health maintenance organizations and certain third party administrators and insurers; to provide for the imposition of a regulatory fee; to provide for the levy of taxes against certain health facilities or agencies; to promote the efficient and economical delivery of health care services, to provide for the appropriate utilization of health care facilities and services, and to provide for the closure of hospitals or consolidation of hospitals or services; to provide for the collection and use of data and information; to provide for the transfer of property; to provide certain immunity from liability; to regulate and prohibit the sale and offering for sale of drug paraphernalia under certain circumstances; to provide for the implementation of federal law; to provide for penalties and remedies; to provide for sanctions for violations of this act and local ordinances; to provide for an appropriation and supplements; to repeal certain acts and parts of acts; to repeal certain parts of this act; and to repeal certain parts of this act on specific dates,” by amending sections 16177 and 20175 (MCL 333.16177 and 333.20175), section 16177 as amended by 1998 PA 332 and section 20175 as amended by 2000 PA 319, and by adding sections 16213 and 20175a.

The People of the State of Michigan enact:

333.16177 License or registration; form of application; inclusion of social security number; examination; passing scores; additional information; exception to social security requirement.

Sec. 16177. (1) An individual applying for licensure or registration under this article shall do so on a form provided by the department. The department shall require each applicant to include on the application form his or her social security number. The department shall not display an applicant's social security number on his or her license or registration. If the facts set forth in the application meet the requirements of the board or task force and this article for licensure or registration, the board or task force shall grant a license or registration to the applicant. A board or task force may require the applicant to take an

examination to determine if the applicant meets the qualifications for licensure or registration. The examination shall include subjects determined by the board or task force to be essential to the safe and competent practice of the health profession, the appropriate use of a title, or both. Passing scores or the procedure used to determine passing scores shall be established before an examination is administered.

(2) In addition to the information required under subsection (1), an applicant for licensure or registration or a licensee or registrant applying for renewal shall include on a form provided by the department all of the following information, if applicable:

(a) A felony conviction.

(b) A misdemeanor conviction punishable by imprisonment for a maximum term of 2 years or a misdemeanor conviction involving the illegal delivery, possession, or use of alcohol or a controlled substance.

(c) Sanctions imposed against the applicant by a similar licensure, registration, certification, or disciplinary board of another state or country.

(3) In addition to the information required under subsections (1) and (2), a physician, osteopathic physician, dentist, or podiatrist applying for licensure or renewal under this article shall report to the department on a form provided by the department the name of each hospital with which he or she is employed or under contract, and each hospital in which he or she is allowed to practice.

(4) In addition to the information required under subsections (1), (2), and (3), an applicant for licensure and, beginning the license renewal cycle after the effective date of the amendatory act that added section 16213, a licensee applying for renewal shall provide the department, on the application or the license renewal form, with an affidavit stating that he or she has a written policy for protecting, maintaining, and providing access to his or her medical records in accordance with section 16213 and for complying with section 16213 in the event that he or she sells or closes his or her practice, retires from practice, or otherwise ceases to practice under this article. The applicant or licensee shall make the written policy available to the department upon request.

(5) A requirement under this section to include a social security number on an application does not apply to an applicant who demonstrates he or she is exempt under law from obtaining a social security number or to an applicant who for religious convictions is exempt under law from disclosure of his or her social security number under these circumstances. The department shall inform the applicant of this possible exemption.

333.16213 Retention of records.

Sec. 16213. (1) An individual licensed under this article shall keep and maintain a record for each patient for whom he or she has provided medical services, including a full and complete record of tests and examinations performed, observations made, and treatments provided. Unless a longer retention period is otherwise required under federal or state laws or regulations or by generally accepted standards of medical practice, a licensee shall keep and retain each record for a minimum of 7 years from the date of service to which the record pertains. The records shall be maintained in such a manner as to protect their integrity, to ensure their confidentiality and proper use, and to ensure their accessibility and availability to each patient or his or her authorized representative as required by law. A licensee may destroy a record that is less than 7 years old only if both of the following are satisfied:

(a) The licensee sends a written notice to the patient at the last known address of that patient informing the patient that the record is about to be destroyed, offering the patient the opportunity to request a copy of that record, and requesting the patient's written authorization to destroy the record.

(b) The licensee receives written authorization from the patient or his or her authorized representative agreeing to the destruction of the record.

(2) If a licensee is unable to comply with this section, the licensee shall employ or contract, arrange, or enter into an agreement with another health care provider, a health facility or agency, or a medical records company to protect, maintain, and provide access to those records required under subsection (1).

(3) If a licensee or registrant sells or closes his or her practice, retires from practice, or otherwise ceases to practice under this article, the licensee or the personal representative of the licensee, if the licensee is deceased, shall not abandon the records required under this section and shall send a written notice to the department that specifies who will have custody of the medical records and how a patient may request access to or copies of his or her medical records and shall do either of the following:

(a) Transfer the records required under subsection (1) to any of the following:

(i) A successor licensee.

(ii) If requested by the patient or his or her authorized representative, to the patient or a specific health facility or agency or other health care provider licensed under article 15.

(iii) A health care provider, a health facility or agency, or a medical records company with which the licensee had contracted or entered into an agreement to protect, maintain, and provide access to those records required under subsection (1).

(b) In accordance with subsection (1), as long as the licensee or the personal representative of the licensee, if the licensee is deceased, sends a written notice to the last known address of each patient for whom he or she has provided medical services and receives written authorization from the patient or his or her authorized representative, destroy the records required under subsection (1). The notice shall provide the patient with 30 days to request a copy of his or her record or to designate where he or she would like his or her medical records transferred and shall request from the patient within 30 days written authorization for the destruction of his or her medical records. If the patient fails to request a copy or transfer of his or her medical records or to provide the licensee with written authorization for the destruction, then the licensee or the personal representative of the licensee shall not destroy those records that are less than 7 years old but may destroy, in accordance with subsection (4), those that are 7 years old or older.

(4) Except as otherwise provided under this section or federal or state laws and regulations, records required to be maintained under subsection (1) may be destroyed or otherwise disposed of after being maintained for 7 years. If records maintained in accordance with this section are subsequently destroyed or otherwise disposed of, those records shall be shredded, incinerated, electronically deleted, or otherwise disposed of in a manner that ensures continued confidentiality of the patient's health care information and any other personal information relating to the patient. If records are destroyed or otherwise disposed of as provided under this subsection, the department may take action including, but not limited to, contracting for or making other arrangements to ensure that those records and any other confidential identifying information related to the patient are properly destroyed or disposed of to protect the confidentiality of patient's health care information and any other personal information relating to the patient. Before the department takes action in accordance with this subsection, the department, if able to identify the licensee responsible for the improper destruction or disposal of the medical records at issue, shall send a written notice to that licensee at his or her last known address or place of business on file with the department and provide the licensee with an opportunity to properly destroy or dispose of those medical records as required under this subsection unless a delay in the proper

destruction or disposal may compromise the patient's confidentiality. The department may assess the licensee with the costs incurred by the department to enforce this subsection.

(5) A person who fails to comply with this section is subject to an administrative fine of not more than \$10,000.00 if the failure was the result of gross negligence or willful and wanton misconduct.

(6) Nothing in this section shall be construed to create or change the ownership rights to any medical records.

(7) As used in this section:

(a) "Medical record" or "record" means information, oral or recorded in any form or medium, that pertains to a patient's health care, medical history, diagnosis, prognosis, or medical condition and that is maintained by a licensee in the process of providing medical services.

(b) "Medical records company" means a person who contracts for or agrees to protect, maintain, and provide access to medical records for a health care provider or health facility or agency in accordance with this section.

(c) "Patient" means an individual who receives or has received health care from a health care provider or health facility or agency. Patient includes a guardian, if appointed, and a parent, guardian, or person acting in loco parentis, if the individual is a minor, unless the minor lawfully obtained health care without the consent or notification of a parent, guardian, or other person acting in loco parentis, in which case the minor has the exclusive right to exercise the rights of a patient under this section with respect to his or her medical records relating to that care.

333.20175 Maintaining record for each patient; confidentiality; wrongfully altering or destroying records; noncompliance; fine; licensing and certification records as public records; confidentiality; disclosure; report or notice of disciplinary action; information provided in report; nature and use of certain records, data, and knowledge.

Sec. 20175. (1) A health facility or agency shall keep and maintain a record for each patient, including a full and complete record of tests and examinations performed, observations made, treatments provided, and in the case of a hospital, the purpose of hospitalization. Unless a longer retention period is otherwise required under federal or state laws or regulations or by generally accepted standards of medical practice, a health facility or agency shall keep and retain each record for a minimum of 7 years from the date of service to which the record pertains. A health facility or agency shall maintain the records in such a manner as to protect their integrity, to ensure their confidentiality and proper use, and to ensure their accessibility and availability to each patient or his or her authorized representative as required by law. A health facility or agency may destroy a record that is less than 7 years old only if both of the following are satisfied:

(a) The health facility or agency sends a written notice to the patient at the last known address of that patient informing the patient that the record is about to be destroyed, offering the patient the opportunity to request a copy of that record, and requesting the patient's written authorization to destroy the record.

(b) The health facility or agency receives written authorization from the patient or his or her authorized representative agreeing to the destruction of the record. Except as otherwise provided under federal or state laws and regulations, records required to be maintained under this subsection may be destroyed or otherwise disposed of after being maintained for 7 years. If records maintained in accordance with this section are subsequently destroyed or otherwise disposed of, those records shall be shredded, incinerated, electronically deleted,

or otherwise disposed of in a manner that ensures continued confidentiality of the patient's health care information and any other personal information relating to the patient. If records are destroyed or otherwise disposed of as provided under this subsection, the department may take action including, but not limited to, contracting for or making other arrangements to ensure that those records and any other confidential identifying information related to the patient are properly destroyed or disposed of to protect the confidentiality of patient's health care information and any other personal information relating to the patient. Before the department takes action in accordance with this subsection, the department, if able to identify the health facility or agency responsible for the improper destruction or disposal of the medical records at issue, shall send a written notice to that health facility or agency at the last known address on file with the department and provide the health facility or agency with an opportunity to properly destroy or dispose of those medical records as required under this subsection unless a delay in the proper destruction or disposal may compromise the patient's confidentiality. The department may assess the health facility or agency with the costs incurred by the department to enforce this subsection. In addition to the sanctions set forth in section 20165, a hospital that fails to comply with this subsection is subject to an administrative fine of \$10,000.00.

(2) A hospital shall take precautions to assure that the records required by subsection (1) are not wrongfully altered or destroyed. A hospital that fails to comply with this subsection is subject to an administrative fine of \$10,000.00.

(3) Unless otherwise provided by law, the licensing and certification records required by this article are public records.

(4) Departmental officers and employees shall respect the confidentiality of patient clinical records and shall not divulge or disclose the contents of records in a manner that identifies an individual except pursuant to court order or as otherwise authorized by law.

(5) A health facility or agency that employs, contracts with, or grants privileges to a health professional licensed or registered under article 15 shall report the following to the department not more than 30 days after it occurs:

(a) Disciplinary action taken by the health facility or agency against a health professional licensed or registered under article 15 based on the licensee's or registrant's professional competence, disciplinary action that results in a change of employment status, or disciplinary action based on conduct that adversely affects the licensee's or registrant's clinical privileges for a period of more than 15 days. As used in this subdivision, "adversely affects" means the reduction, restriction, suspension, revocation, denial, or failure to renew the clinical privileges of a licensee or registrant by a health facility or agency.

(b) Restriction or acceptance of the surrender of the clinical privileges of a licensee or registrant under either of the following circumstances:

(i) The licensee or registrant is under investigation by the health facility or agency.

(ii) There is an agreement in which the health facility or agency agrees not to conduct an investigation into the licensee's or registrant's alleged professional incompetence or improper professional conduct.

(c) A case in which a health professional resigns or terminates a contract or whose contract is not renewed instead of the health facility taking disciplinary action against the health professional.

(6) Upon request by another health facility or agency seeking a reference for purposes of changing or granting staff privileges, credentials, or employment, a health facility or agency that employs, contracts with, or grants privileges to health professionals licensed or registered under article 15 shall notify the requesting health facility or agency of any

disciplinary or other action reportable under subsection (5) that it has taken against a health professional licensed or registered under article 15 and employed by, under contract to, or granted privileges by the health facility or agency.

(7) For the purpose of reporting disciplinary actions under this section, a health facility or agency shall include only the following in the information provided:

(a) The name of the licensee or registrant against whom disciplinary action has been taken.

(b) A description of the disciplinary action taken.

(c) The specific grounds for the disciplinary action taken.

(d) The date of the incident that is the basis for the disciplinary action.

(8) The records, data, and knowledge collected for or by individuals or committees assigned a professional review function in a health facility or agency, or an institution of higher education in this state that has colleges of osteopathic and human medicine, are confidential, shall be used only for the purposes provided in this article, are not public records, and are not subject to court subpoena.

333.20175a Agreement with another health facility to protect, maintain, and provide access to records; closure of health facility; noncompliance; fine; definitions.

Sec. 20175a. (1) If a health facility or agency is unable to comply with section 20175, the health facility or agency shall employ or contract, arrange, or enter into an agreement with another health facility or agency or a medical records company to protect, maintain, and provide access to those records required under section 20175(1).

(2) If a health facility or agency closes or otherwise ceases operation, the health facility or agency shall not abandon the records required to be maintained under section 20175(1) and shall send a written notice to the department that specifies who will have custody of the medical records and how a patient may request access to or copies of his or her medical records and shall do either of the following:

(a) Transfer the records required under section 20175(1) to any of the following:

(i) A successor health facility or agency.

(ii) If designated by the patient or his or her authorized representative, to the patient or a specific health facility or agency or a health care provider licensed or registered under article 15.

(iii) A health facility or agency or a medical records company with which the health facility or agency had contracted or entered into an agreement to protect, maintain, and provide access to those records required under section 20175(1).

(b) In accordance with section 20175(1), as long as the health facility or agency sends a written notice to the last known address of each patient for whom he or she has provided medical services and receives written authorization from the patient or his or her authorized representative, destroy the records required under section 20175(1). The notice shall provide the patient with 30 days to request a copy of his or her record or to designate where he or she would like his or her medical records transferred and shall request from the patient within 30 days written authorization for the destruction of his or her medical records. If the patient fails to request a copy or transfer of his or her medical records or to provide the health facility or agency with written authorization for the destruction, then the health facility or agency shall not destroy those records that are less than 7 years old but may destroy, in accordance with section 20175(1), those that are 7 years old or older.

(3) Nothing in this section shall be conducted to create or change the ownership rights to any medical records.

(4) A person that fails to comply with this section is subject to an administrative fine of not more than \$10,000.00 if the failure was the result of gross negligence or willful and wanton misconduct.

(5) As used in this section:

(a) “Medical record” or “record” means information, oral or recorded in any form or medium, that pertains to a patient’s health care, medical history, diagnosis, prognosis, or medical condition and that is maintained by a licensee in the process of providing medical services.

(b) “Medical records company” means a person who contracts for or agrees to protect, maintain, and provide access to medical records for a health facility or agency in accordance with section 20175.

(c) “Patient” means an individual who receives or has received health care from a health care provider or health facility or agency. Patient includes a guardian, if appointed, and a parent, guardian, or person acting in loco parentis, if the individual is a minor, unless the minor lawfully obtained health care without the consent or notification of a parent, guardian, or other person acting in loco parentis, in which case the minor has the exclusive right to exercise the rights of a patient under this section with respect to his or her medical records relating to that care.

This act is ordered to take immediate effect.

Approved December 19, 2006.

Filed with Secretary of State December 22, 2006.

[No. 482]

(SB 468)

AN ACT to amend 1976 PA 442, entitled “An act to provide for public access to certain public records of public bodies; to permit certain fees; to prescribe the powers and duties of certain public officers and public bodies; to provide remedies and penalties; and to repeal certain acts and parts of acts,” by amending section 13 (MCL 15.243), as amended by 2002 PA 437.

The People of the State of Michigan enact:

15.243 Exemptions from disclosure; public body as school district or public school academy; withholding of information required by law or in possession of executive office.

Sec. 13. (1) A public body may exempt from disclosure as a public record under this act any of the following:

(a) Information of a personal nature if public disclosure of the information would constitute a clearly unwarranted invasion of an individual’s privacy.

(b) Investigating records compiled for law enforcement purposes, but only to the extent that disclosure as a public record would do any of the following:

(i) Interfere with law enforcement proceedings.

(ii) Deprive a person of the right to a fair trial or impartial administrative adjudication.

(iii) Constitute an unwarranted invasion of personal privacy.

(iv) Disclose the identity of a confidential source, or if the record is compiled by a law enforcement agency in the course of a criminal investigation, disclose confidential information furnished only by a confidential source.

(v) Disclose law enforcement investigative techniques or procedures.

(vi) Endanger the life or physical safety of law enforcement personnel.

(c) A public record that if disclosed would prejudice a public body's ability to maintain the physical security of custodial or penal institutions occupied by persons arrested or convicted of a crime or admitted because of a mental disability, unless the public interest in disclosure under this act outweighs the public interest in nondisclosure.

(d) Records or information specifically described and exempted from disclosure by statute.

(e) A public record or information described in this section that is furnished by the public body originally compiling, preparing, or receiving the record or information to a public officer or public body in connection with the performance of the duties of that public officer or public body, if the considerations originally giving rise to the exempt nature of the public record remain applicable.

(f) Trade secrets or commercial or financial information voluntarily provided to an agency for use in developing governmental policy if:

(i) The information is submitted upon a promise of confidentiality by the public body.

(ii) The promise of confidentiality is authorized by the chief administrative officer of the public body or by an elected official at the time the promise is made.

(iii) A description of the information is recorded by the public body within a reasonable time after it has been submitted, maintained in a central place within the public body, and made available to a person upon request. This subdivision does not apply to information submitted as required by law or as a condition of receiving a governmental contract, license, or other benefit.

(g) Information or records subject to the attorney-client privilege.

(h) Information or records subject to the physician-patient privilege, the psychologist-patient privilege, the minister, priest, or Christian Science practitioner privilege, or other privilege recognized by statute or court rule.

(i) A bid or proposal by a person to enter into a contract or agreement, until the time for the public opening of bids or proposals, or if a public opening is not to be conducted, until the deadline for submission of bids or proposals has expired.

(j) Appraisals of real property to be acquired by the public body until either of the following occurs:

(i) An agreement is entered into.

(ii) Three years have elapsed since the making of the appraisal, unless litigation relative to the acquisition has not yet terminated.

(k) Test questions and answers, scoring keys, and other examination instruments or data used to administer a license, public employment, or academic examination, unless the public interest in disclosure under this act outweighs the public interest in nondisclosure.

(l) Medical, counseling, or psychological facts or evaluations concerning an individual if the individual's identity would be revealed by a disclosure of those facts or evaluation, including protected health information, as defined in 45 CFR 160.103.