

# HOUSE BILL No. 4750

June 18, 2015, Introduced by Reps. Potvin, Robinson, Iden, Canfield, LaVoy, McBroom, Derek Miller and Hughes and referred to the Committee on Workforce and Talent Development.

A bill to amend 1976 PA 451, entitled "The revised school code," (MCL 380.1 to 380.1852) by adding part 7c.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

PART 7C

NEW JOBS TRAINING PROGRAMS

SEC. 771. AS USED IN THIS PART:

(A) "AGREEMENT" MEANS A WRITTEN AGREEMENT BETWEEN AN EMPLOYER AND AN INTERMEDIATE SCHOOL DISTRICT CONCERNING A PROJECT AND ANY AMENDMENTS TO THAT AGREEMENT.

(B) "BOND" OR "BONDS" MEANS BONDS, NOTES, OR OTHER DEBT ISSUED BY AN INTERMEDIATE SCHOOL DISTRICT UNDER THIS PART.

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

(D) "NEW JOB" MEANS A FULL-TIME JOB IN THIS STATE THAT MEETS

1 ALL OF THE FOLLOWING:

2 (i) EXCEPT AS PROVIDED IN SUBPARAGRAPH (ii) OR (iii), IS A  
3 NEW, EXISTING, OR EXPANDING BUSINESS OF AN EMPLOYER.

4 (ii) IS NOT A JOB OF A RECALLED WORKER, A REPLACEMENT JOB, OR  
5 ANY OTHER JOB THAT EXISTED IN THE EMPLOYER'S BUSINESS WITHIN THE 1-  
6 YEAR PERIOD PRECEDING THE DATE OF AN AGREEMENT.

7 (iii) IS NOT A JOB THAT IS PART OF AN EMPLOYER'S BUSINESS  
8 OPERATION LOCATED IN A MUNICIPALITY IN THIS STATE IF THAT JOB  
9 EXISTED IN A BUSINESS OPERATION OR A SUBSTANTIALLY SIMILAR BUSINESS  
10 OPERATION OF THE EMPLOYER FORMERLY LOCATED IN ANOTHER MUNICIPALITY  
11 IN THIS STATE, THE EMPLOYER MOVED THAT BUSINESS OPERATION OR  
12 SUBSTANTIALLY SIMILAR BUSINESS OPERATION TO ITS CURRENT LOCATION,  
13 AND THE EMPLOYER CLOSED OR SUBSTANTIALLY REDUCED THAT FORMER  
14 BUSINESS OPERATION OR SUBSTANTIALLY SIMILAR BUSINESS OPERATION.

15 (iv) RESULTS IN A NET INCREASE IN EMPLOYMENT IN THIS STATE FOR  
16 THAT EMPLOYER.

17 (v) THE WAGE PAID FOR THE JOB IS EQUAL TO OR EXCEEDS 175% OF  
18 THE STATE MINIMUM WAGE.

19 (E) "NEW JOBS CREDIT FROM WITHHOLDING" MEANS THE CREDIT  
20 DESCRIBED IN SECTION 773.

21 (F) "NEW JOBS TRAINING PROGRAM" OR "PROGRAM" MEANS THE PROJECT  
22 OR PROJECTS ESTABLISHED BY AN INTERMEDIATE SCHOOL DISTRICT FOR THE  
23 CREATION OF JOBS BY PROVIDING EDUCATION AND TRAINING OR RETRAINING  
24 OF WORKERS FOR NEW JOBS.

25 (G) "PROGRAM COSTS" MEANS ALL NECESSARY AND INCIDENTAL COSTS  
26 OF PROVIDING PROGRAM SERVICES.

27 (H) "PROGRAM SERVICES" INCLUDES, BUT IS NOT LIMITED TO, ANY OF

1 THE FOLLOWING:

2 (i) TRAINING OR RETRAINING FOR NEW JOBS.

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

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

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

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

7 (vi) ADMINISTRATIVE EXPENSES FOR THE NEW JOBS TRAINING

8 PROGRAM.

9 (vii) SUBCONTRACTED SERVICES WITH PUBLIC UNIVERSITIES AND

10 COLLEGES IN THIS STATE, PRIVATE COLLEGES OR UNIVERSITIES, OR ANY

11 FEDERAL, STATE, OR LOCAL DEPARTMENTS OR AGENCIES.

12 (viii) CONTRACTED OR PROFESSIONAL SERVICES.

13 (I) "PROJECT" MEANS A TRAINING ARRANGEMENT THAT IS THE SUBJECT

14 OF AN AGREEMENT ENTERED INTO BETWEEN AN INTERMEDIATE SCHOOL

15 DISTRICT AND AN EMPLOYER TO PROVIDE PROGRAM SERVICES.

16 (J) "STATE MINIMUM WAGE" MEANS THE MINIMUM HOURLY WAGE RATE

17 UNDER THE WORKFORCE OPPORTUNITY WAGE ACT, 2014 PA 138, MCL 408.411

18 TO 408.424.

19 SEC. 772. (1) SUBJECT TO SUBSECTION (4), AN INTERMEDIATE

20 SCHOOL DISTRICT MAY ENTER INTO AN AGREEMENT TO ESTABLISH A PROJECT

21 WITH AN EMPLOYER ENGAGED IN BUSINESS ACTIVITIES ANYWHERE IN THE

22 STATE. AN AGREEMENT SHALL MEET SECTION 773 AND ALL OF THE

23 FOLLOWING:

24 (A) SHALL PROVIDE FOR PROGRAM COSTS THAT MAY BE PAID FROM A

25 NEW JOBS CREDIT FROM WITHHOLDING, TO BE RECEIVED OR DERIVED FROM

26 NEW EMPLOYMENT RESULTING FROM THE PROJECT, OR FROM TUITION, STUDENT

27 FEES, OR SPECIAL CHARGES FIXED BY THE INTERMEDIATE SCHOOL BOARD TO

1 DEFRAID PROGRAM COSTS IN WHOLE OR IN PART.

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

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

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

13 (E) SHALL INCLUDE THE EMPLOYER'S AGREEMENT TO MORTGAGE,  
14 ASSIGN, PLEDGE, OR PLACE A LIEN ON ANY REAL OR PERSONAL PROPERTY AS  
15 REQUIRED BY THE INTERMEDIATE SCHOOL DISTRICT AS SECURITY FOR ITS  
16 OBLIGATIONS UNDER THE AGREEMENT.

17 (F) SHALL PROVIDE FOR PAYMENT OF AN ADMINISTRATIVE FEE TO THE  
18 INTERMEDIATE SCHOOL DISTRICT IN AN AMOUNT EQUAL TO 15% OF THE  
19 AGGREGATE AMOUNT TO BE PAID UNDER THE AGREEMENT.

20 (G) MAY CONTAIN OTHER PROVISIONS THE INTERMEDIATE SCHOOL  
21 DISTRICT CONSIDERS APPROPRIATE OR NECESSARY.

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

1 AND CONSEQUENCES AS FOR THE NONPAYMENT OF PROPERTY TAXES. THE  
2 PURCHASER AT TAX SALE OBTAINS THE PROPERTY SUBJECT TO THE REMAINING  
3 PAYMENTS REQUIRED UNDER THE AGREEMENT.

4 (3) AN INTERMEDIATE SCHOOL DISTRICT SHALL FILE A COPY OF AN  
5 AGREEMENT WITH THE DEPARTMENT OF TREASURY PROMPTLY AFTER ITS  
6 EXECUTION.

7 (4) AN INTERMEDIATE SCHOOL DISTRICT SHALL NOT ENTER INTO ANY  
8 NEW AGREEMENTS AFTER DECEMBER 31, 2023.

9 SEC. 773. (1) IF ANY PART OF THE PROGRAM COSTS OF A NEW JOBS  
10 TRAINING PROGRAM ARE TO BE PAID FROM RECEIPT OF MONEY FROM A NEW  
11 JOBS CREDIT FROM WITHHOLDING, THE AGREEMENT SHALL CONTAIN ALL OF  
12 THE FOLLOWING PROVISIONS:

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

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

18 (C) THAT FOR EACH EMPLOYEE IN A NEW JOB, THE EMPLOYER SHALL  
19 EACH MONTH PAY THE AMOUNT REQUIRED TO BE DEDUCTED AND WITHHELD BY  
20 THE EMPLOYER UNDER SECTION 703 OF THE INCOME TAX ACT OF 1967, 1967  
21 PA 281, MCL 206.703, TO THE INTERMEDIATE SCHOOL DISTRICT IN THE  
22 SAME MANNER AS THE EMPLOYER RETURNS AND PAYS WITHHOLDING PAYMENTS  
23 TO THE REVENUE DIVISION OF THE DEPARTMENT OF TREASURY, AND THE  
24 INTERMEDIATE SCHOOL DISTRICT SHALL PAY THE AMOUNTS RECEIVED INTO A  
25 SPECIAL FUND TO PAY PROGRAM COSTS AND THE PRINCIPAL OF AND INTEREST  
26 ON ANY BONDS ISSUED BY THE INTERMEDIATE SCHOOL DISTRICT TO FINANCE  
27 OR REFINANCE THE PROJECT IN WHOLE OR IN PART.

1 (D) THAT THE INTERMEDIATE SCHOOL DISTRICT MAY IRREVOCABLY  
2 PLEDGE THE NEW JOBS CREDIT FROM WITHHOLDING, AND THE SPECIAL FUND  
3 INTO WHICH THE WITHHOLDINGS ARE PAID, FOR THE PAYMENT OF THE  
4 PRINCIPAL OF AND INTEREST ON BONDS ISSUED BY AN INTERMEDIATE SCHOOL  
5 DISTRICT TO FINANCE OR REFINANCE THE PROJECT IN WHOLE OR IN PART.

6 (E) THAT FOR EACH NEW JOBS CREDIT FROM WITHHOLDING PAID TO AN  
7 INTERMEDIATE SCHOOL DISTRICT UNDER SUBDIVISION (C), THE EMPLOYER  
8 SHALL CERTIFY TO THE DEPARTMENT OF TREASURY THAT THE PAYMENT WAS  
9 MADE PURSUANT TO AN AGREEMENT AND SHALL PROVIDE ANY OTHER  
10 INFORMATION REASONABLY REQUESTED BY THE DEPARTMENT OF TREASURY.

11 (F) ANY OTHER PROVISIONS REQUIRED BY THE INTERMEDIATE SCHOOL  
12 DISTRICT.

13 (2) AT THE END OF EACH CALENDAR QUARTER, AN INTERMEDIATE  
14 SCHOOL DISTRICT RECEIVING MONEY FROM A NEW JOBS CREDIT FROM  
15 WITHHOLDING SHALL CERTIFY TO THE DEPARTMENT OF TREASURY THE AMOUNT  
16 OF NEW JOBS CREDIT FROM WITHHOLDING EACH EMPLOYER WITH WHICH THE  
17 INTERMEDIATE SCHOOL DISTRICT HAS AN AGREEMENT HAS REMITTED TO THE  
18 INTERMEDIATE SCHOOL DISTRICT IN THAT CALENDAR QUARTER.

19 (3) BY APRIL 1 OF EACH YEAR, EACH INTERMEDIATE SCHOOL DISTRICT  
20 THAT RECEIVED MONEY FROM A NEW JOBS CREDIT FROM WITHHOLDING IN THE  
21 PRECEDING CALENDAR YEAR SHALL PROVIDE ALL OF THE FOLLOWING  
22 INFORMATION TO THE DEPARTMENT OF TREASURY FOR THE PRECEDING  
23 CALENDAR YEAR:

24 (A) THE NAME OF THE INTERMEDIATE SCHOOL DISTRICT.

25 (B) THE NAME OF EACH EMPLOYER WITH WHICH THE INTERMEDIATE  
26 SCHOOL DISTRICT HAS AN AGREEMENT, ORGANIZED BY MAJOR INDUSTRY GROUP  
27 UNDER THE NORTH AMERICAN INDUSTRY CLASSIFICATION SYSTEM PUBLISHED

1 BY THE DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET.

2 (C) THE AMOUNT OF MONEY FROM A NEW JOBS CREDIT FROM  
3 WITHHOLDING EACH EMPLOYER DESCRIBED IN SUBDIVISION (B) HAS REMITTED  
4 TO THE INTERMEDIATE SCHOOL DISTRICT.

5 (D) THE AMOUNT OF NEW JOBS TRAINING REVENUE BONDS THE  
6 INTERMEDIATE SCHOOL DISTRICT HAS AUTHORIZED, ISSUED, OR SOLD.

7 (E) THE TOTAL AMOUNT OF THE INTERMEDIATE SCHOOL DISTRICT'S  
8 DEBT RELATED TO AGREEMENTS AT THE END OF THE CALENDAR YEAR.

9 (F) THE NUMBER OF CERTIFICATES OR OTHER CREDENTIALS AWARDED TO  
10 PROGRAM PARTICIPANTS IN THE CALENDAR YEAR.

11 (G) THE NUMBER OF INDIVIDUALS WHO ENTERED A PROGRAM AT THE  
12 INTERMEDIATE SCHOOL DISTRICT IN THE CALENDAR YEAR; WHO COMPLETED  
13 THE PROGRAM IN THE CALENDAR YEAR; AND WHO WERE ENROLLED IN A  
14 PROGRAM AT THE END OF THE CALENDAR YEAR.

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

17 (I) ANY OTHER INFORMATION REASONABLY REQUESTED BY THE  
18 DEPARTMENT OF TREASURY.

19 SEC. 774. (1) SUBJECT TO SUBSECTION (16), BY RESOLUTION OF ITS  
20 INTERMEDIATE SCHOOL BOARD, AN INTERMEDIATE SCHOOL DISTRICT MAY  
21 AUTHORIZE, ISSUE, AND SELL ITS NEW JOBS TRAINING REVENUE BONDS IN  
22 ANTICIPATION OF PAYMENTS TO BE RECEIVED PURSUANT TO AN AGREEMENT,  
23 SUBJECT TO THE REQUIREMENTS OF THIS PART, TO FINANCE COSTS OF NEW  
24 JOBS TRAINING PROGRAMS AND TO PAY COSTS OF ISSUING THOSE BONDS. THE  
25 BONDS SHALL BE PAYABLE IN THE MANNER AND ON THE TERMS AND  
26 CONDITIONS DETERMINED, OR WITHIN THE PARAMETERS SPECIFIED, BY THE  
27 INTERMEDIATE SCHOOL BOARD IN THE RESOLUTION AUTHORIZING ISSUANCE OF

1 THE BONDS. THE RESOLUTION AUTHORIZING THE BONDS SHALL CREATE A LIEN  
2 ON THE RECEIPTS FROM NEW JOBS CREDIT FROM WITHHOLDING TO BE  
3 RECEIVED BY THE INTERMEDIATE SCHOOL DISTRICT PURSUANT TO AN  
4 AGREEMENT OR AGREEMENTS THAT SHALL BE A STATUTORY LIEN AND SHALL BE  
5 A FIRST LIEN SUBJECT ONLY TO LIENS PREVIOUSLY CREATED. AS  
6 ADDITIONAL SECURITY, IN THE RESOLUTION AUTHORIZING THE BONDS, THE  
7 INTERMEDIATE SCHOOL BOARD MAY ALSO PLEDGE THE LIMITED TAX FULL  
8 FAITH AND CREDIT OF THE DISTRICT AND MAY AUTHORIZE AND ENTER INTO  
9 AN INSURANCE CONTRACT, AGREEMENT FOR LINES OF CREDIT, LETTER OF  
10 CREDIT, COMMITMENT TO PURCHASE OBLIGATIONS, REMARKETING AGREEMENT,  
11 REIMBURSEMENT AGREEMENT, TENDER AGREEMENT, OR ANY OTHER TRANSACTION  
12 NECESSARY TO PROVIDE SECURITY TO ASSURE TIMELY PAYMENT OF ANY  
13 BONDS.

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

27 (3) AN INTERMEDIATE SCHOOL DISTRICT MAY ISSUE BONDS DESCRIBED

1 IN SUBSECTION (1) WITH RESPECT TO A SINGLE PROJECT OR MULTIPLE  
2 PROJECTS AS DETERMINED BY THE INTERMEDIATE SCHOOL BOARD IN THE  
3 RESOLUTION AUTHORIZING THE ISSUANCE OF THE BONDS. THE INTERMEDIATE  
4 SCHOOL BOARD MAY DETERMINE TO SELL THE BONDS IN CONJUNCTION WITH  
5 THE SALE OF BONDS BY ANOTHER INTERMEDIATE SCHOOL DISTRICT.

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

10 (A) PLEDGING ALL OR ANY PART OF ANY FEES OR AVAILABLE FUNDS OF  
11 THE INTERMEDIATE SCHOOL DISTRICT, OR OTHER MONEY RECEIVED OR TO BE  
12 RECEIVED, TO SECURE THE PAYMENT OF THE BONDS OR OF ANY ISSUE OF  
13 BONDS, AND SUBJECT TO ANY AGREEMENTS WITH BONDHOLDERS AS MAY THEN  
14 EXIST.

15 (B) PLEDGING ALL OR ANY PART OF THE ASSETS OF THE INTERMEDIATE  
16 SCHOOL DISTRICT, INCLUDING MORTGAGES AND OBLIGATIONS SECURING THE  
17 ASSETS, TO SECURE THE PAYMENT OF THE BONDS OR OF ANY ISSUE OF  
18 BONDS, SUBJECT TO ANY AGREEMENTS WITH BONDHOLDERS AS MAY THEN  
19 EXIST.

20 (C) THE SETTING ASIDE OF RESERVES OR SINKING FUNDS AND THE  
21 REGULATION AND DISPOSITION OF RESERVES OR SINKING FUNDS.

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

25 (E) LIMITATIONS ON THE ISSUANCE OF ADDITIONAL BONDS; THE TERMS  
26 ON WHICH ADDITIONAL BONDS MAY BE ISSUED AND SECURED; AND THE  
27 REFUNDING OF OUTSTANDING OR OTHER BONDS.

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

5 (G) VESTING IN A TRUSTEE OR TRUSTEES THE PROPERTY, RIGHTS,  
6 POWERS, AND DUTIES IN TRUST DETERMINED BY THE INTERMEDIATE SCHOOL  
7 BOARD OF THE INTERMEDIATE SCHOOL DISTRICT.

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

10 (I) DELEGATING TO AN OFFICER OR OTHER EMPLOYEE OF THE  
11 INTERMEDIATE SCHOOL DISTRICT, OR AN AGENT DESIGNATED BY THE  
12 INTERMEDIATE SCHOOL DISTRICT, THE POWER TO CAUSE THE ISSUE, SALE,  
13 AND DELIVERY OF THE BONDS WITHIN LIMITS ON THOSE BONDS ESTABLISHED  
14 BY THE INTERMEDIATE SCHOOL DISTRICT CONCERNING ANY OF THE  
15 FOLLOWING:

16 (i) THE FORM OF THE BONDS.

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

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

19 (iv) THE PURCHASE PRICE OF THE BONDS.

20 (v) THE DENOMINATIONS OF THE BONDS.

21 (vi) THE REDEMPTION PREMIUMS OF THE BONDS.

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

23 (viii) ANY OTHER TERMS AND CONDITIONS CONCERNING ISSUANCE OF  
24 THE BONDS PRESCRIBED BY THE INTERMEDIATE SCHOOL BOARD OF THE  
25 INTERMEDIATE SCHOOL DISTRICT.

26 (5) ALL OF THE FOLLOWING APPLY TO ANY PLEDGE OF MONEY OR OTHER  
27 ASSETS MADE BY AN INTERMEDIATE SCHOOL DISTRICT TO SECURE ANY BONDS

1 OR ISSUE OF BONDS UNDER THIS SECTION:

2 (A) THE PLEDGE IS VALID AND BINDING FROM THE TIME WHEN THE  
3 PLEDGE IS MADE.

4 (B) THE MONEY OR OTHER ASSETS PLEDGED ARE IMMEDIATELY SUBJECT  
5 TO THE LIEN OF THE PLEDGE WHEN RECEIVED, WITHOUT ANY PHYSICAL  
6 DELIVERY OF THE MONEY OR ASSETS OR ANY FURTHER ACT.

7 (C) THE LIEN OF THE PLEDGE IS VALID AND BINDING AS AGAINST ALL  
8 PARTIES HAVING CLAIMS OF ANY KIND, IN TORT, CONTRACT, OR OTHERWISE,  
9 AGAINST THE INTERMEDIATE SCHOOL DISTRICT, WHETHER OR NOT THOSE  
10 PARTIES HAVE NOTICE OF THE LIEN.

11 (D) THE INTERMEDIATE SCHOOL DISTRICT IS NOT REQUIRED TO RECORD  
12 THE RESOLUTION OR ANY OTHER INSTRUMENT CREATING THE PLEDGE.

13 (6) THE INTERMEDIATE SCHOOL BOARD OF AN INTERMEDIATE SCHOOL  
14 DISTRICT AND ANY PERSON EXECUTING BONDS SUBJECT TO THIS SECTION ARE  
15 NOT PERSONALLY LIABLE ON THE BONDS OR SUBJECT TO ANY PERSONAL  
16 LIABILITY OR ACCOUNTABILITY BY REASON OF THE ISSUANCE OF THE BONDS.

17 (7) AN INTERMEDIATE SCHOOL DISTRICT ISSUING BONDS UNDER THIS  
18 SECTION MAY PURCHASE BONDS OF THE INTERMEDIATE SCHOOL DISTRICT OUT  
19 OF ANY FUNDS AVAILABLE FOR THAT PURPOSE, SUBJECT TO ANY AGREEMENTS  
20 WITH BONDHOLDERS IN EFFECT AT THAT TIME. UNLESS THE INTERMEDIATE  
21 SCHOOL BOARD OF THE INTERMEDIATE SCHOOL DISTRICT DETERMINES BY  
22 RESOLUTION THAT THE PAYMENT OF A HIGHER PRICE IS IN THE BEST  
23 INTERESTS OF THE INTERMEDIATE SCHOOL DISTRICT, THE INTERMEDIATE  
24 SCHOOL DISTRICT SHALL NOT PURCHASE THOSE BONDS AT A PRICE THAT  
25 EXCEEDS 1 OF THE FOLLOWING, AS APPLICABLE:

26 (A) IF THE BONDS ARE REDEEMABLE AT THE TIME OF PURCHASE, THE  
27 REDEMPTION PRICE APPLICABLE AT THAT TIME PLUS ACCRUED INTEREST TO

1 THE NEXT INTEREST PAYMENT DATE ON THE BONDS.

2 (B) IF THE BONDS ARE NOT REDEEMABLE AT THE TIME OF PURCHASE,  
3 THE REDEMPTION PRICE APPLICABLE ON THE FIRST DATE AFTER THE  
4 PURCHASE ON WHICH THE BONDS ARE REDEEMABLE, PLUS ACCRUED INTEREST  
5 TO THAT DATE.

6 (8) BONDS ISSUED UNDER THIS SECTION ARE NOT SUBJECT TO THE  
7 REVISED MUNICIPAL FINANCE ACT, 2001 PA 34, MCL 141.2101 TO  
8 141.2821, EXCEPT THAT BONDS ISSUED UNDER THIS SECTION ARE SUBJECT  
9 TO THE MAXIMUM RATE PERMITTED UNDER SECTION 305 OF THE REVISED  
10 MUNICIPAL FINANCE ACT, 2001 PA 34, MCL 141.2305.

11 (9) THE ISSUANCE OF BONDS UNDER THIS SECTION IS SUBJECT TO THE  
12 AGENCY FINANCING REPORTING ACT, 2002 PA 470, MCL 129.171 TO  
13 129.177.

14 (10) BONDS ISSUED UNDER THIS SECTION SHALL NOT BE CONSIDERED  
15 TO BE WITHIN ANY LIMITATION OF OUTSTANDING DEBT LIMIT APPLICABLE TO  
16 THE INTERMEDIATE SCHOOL DISTRICT, INCLUDING ANY LIMITATION  
17 CONTAINED IN PART 7, BUT SHALL BE CONSIDERED AS AUTHORIZED IN  
18 ADDITION TO ANY LIMITATION OF OUTSTANDING DEBT LIMIT APPLICABLE TO  
19 THE INTERMEDIATE SCHOOL DISTRICT.

20 (11) BY RESOLUTION OF ITS INTERMEDIATE SCHOOL BOARD, AN  
21 INTERMEDIATE SCHOOL DISTRICT MAY REFUND ALL OR ANY PART OF ITS  
22 OUTSTANDING BONDS ISSUED UNDER THIS SECTION BY ISSUING REFUNDING  
23 BONDS. AN INTERMEDIATE SCHOOL DISTRICT MAY ISSUE REFUNDING BONDS  
24 WHETHER THE OUTSTANDING BONDS TO BE REFUNDED HAVE OR HAVE NOT  
25 MATURED, ARE OR ARE NOT REDEEMABLE ON THE DATE OF ISSUANCE OF THE  
26 REFUNDING BONDS, OR ARE OR ARE NOT SUBJECT TO REDEMPTION BEFORE  
27 MATURITY.

1           (12) AN INTERMEDIATE SCHOOL DISTRICT MAY ISSUE REFUNDING BONDS  
2 UNDER SUBSECTION (11) IN A PRINCIPAL AMOUNT GREATER THAN THE  
3 PRINCIPAL AMOUNT OF THE OUTSTANDING BONDS TO BE REFUNDED IF  
4 NECESSARY TO EFFECT THE REFUNDING UNDER THE REFUNDING PLAN.

5           (13) AN INTERMEDIATE SCHOOL DISTRICT MAY USE THE PROCEEDS OF  
6 REFUNDING BONDS ISSUED UNDER SUBSECTION (11) TO PAY INTEREST  
7 ACCRUED, OR TO ACCRUE, TO THE EARLIEST OR ANY SUBSEQUENT DATE OF  
8 REDEMPTION, PURCHASE, OR MATURITY OF THE OUTSTANDING BONDS TO BE  
9 REFUNDED, REDEMPTION PREMIUM, IF ANY, AND ANY COMMISSION, SERVICE  
10 FEE, AND OTHER EXPENSE NECESSARY TO BE PAID IN CONNECTION WITH THE  
11 OUTSTANDING BONDS TO BE REFUNDED. AN INTERMEDIATE SCHOOL DISTRICT  
12 MAY ALSO USE THE PROCEEDS OF REFUNDING BONDS TO PAY PART OF THE  
13 COST OF ISSUANCE OF THE REFUNDING BONDS, INTEREST ON THE REFUNDING  
14 BONDS, A RESERVE FOR THE PAYMENT OF PRINCIPAL, INTEREST, AND  
15 REDEMPTION PREMIUMS ON THE REFUNDING BONDS, AND OTHER NECESSARY  
16 INCIDENTAL EXPENSES, INCLUDING, BUT NOT LIMITED TO, PLACEMENT FEES  
17 AND FEES OR CHARGES FOR INSURANCE, LETTERS OF CREDIT, LINES OF  
18 CREDIT, OR COMMITMENTS TO PURCHASE THE OUTSTANDING BONDS TO BE  
19 REFUNDED.

20           (14) AN INTERMEDIATE SCHOOL DISTRICT MAY APPLY THE PROCEEDS OF  
21 REFUNDING BONDS ISSUED UNDER SUBSECTION (11) AND OTHER AVAILABLE  
22 MONEY TO PAYMENT OF THE PRINCIPAL, INTEREST, OR REDEMPTION  
23 PREMIUMS, IF ANY, ON THE REFUNDED OUTSTANDING BONDS AT MATURITY OR  
24 ON ANY PRIOR REDEMPTION DATE OR MAY DEPOSIT THE PROCEEDS OR OTHER  
25 MONEY IN TRUST TO USE TO PURCHASE AND DEPOSIT IN TRUST DIRECT  
26 OBLIGATIONS OF THE UNITED STATES, DIRECT NONCALLABLE AND  
27 NONPREPAYABLE OBLIGATIONS THAT ARE UNCONDITIONALLY GUARANTEED BY

1 THE UNITED STATES GOVERNMENT AS TO FULL AND TIMELY PAYMENT OF  
2 PRINCIPAL AND INTEREST, NONCALLABLE AND NONPREPAYABLE COUPONS FROM  
3 THOSE OBLIGATIONS THAT ARE STRIPPED PURSUANT TO UNITED STATES  
4 TREASURY PROGRAMS, AND RESOLUTION FUNDING CORPORATION BONDS AND  
5 STRIPS, THE PRINCIPAL AND INTEREST ON WHICH WHEN DUE, TOGETHER WITH  
6 OTHER AVAILABLE MONEY, WILL PROVIDE FUNDS SUFFICIENT TO PAY  
7 PRINCIPAL, INTEREST, AND REDEMPTION PREMIUMS, IF ANY, ON THE  
8 REFUNDED OUTSTANDING BONDS AS THE REFUNDED OUTSTANDING BONDS BECOME  
9 DUE, WHETHER BY MATURITY OR ON A PRIOR REDEMPTION DATE, AS PROVIDED  
10 IN THE AUTHORIZING RESOLUTION.

11 (15) AN INTERMEDIATE SCHOOL DISTRICT IS AUTHORIZED TO PAY ALL  
12 OR PART OF THE COSTS OF NEW JOBS TRAINING PROGRAMS OUT OF FUNDS OF  
13 THE INTERMEDIATE SCHOOL DISTRICT, INCLUDING SELF-FUNDING METHODS.  
14 THE USE OF FUNDS OF THE INTERMEDIATE SCHOOL DISTRICT AND SELF-  
15 FUNDING METHODS TO PAY THE COSTS OF NEW JOBS TRAINING PROGRAMS  
16 SHALL BE CONSIDERED AN AUTHORIZED EXPENDITURE OF PUBLIC FUNDS AND  
17 SHALL NOT BE CONSTRUED AS AN INVESTMENT.

18 (16) AN INTERMEDIATE SCHOOL DISTRICT SHALL NOT AUTHORIZE,  
19 ISSUE, OR SELL ANY NEW JOBS TRAINING REVENUE BONDS AFTER DECEMBER  
20 31, 2023.

21 SEC. 775. BONDS AND NOTES ISSUED BY AN INTERMEDIATE SCHOOL  
22 DISTRICT UNDER THIS PART AND THE INTEREST ON AND INCOME FROM THOSE  
23 BONDS AND NOTES ARE EXEMPT FROM TAXATION BY THIS STATE OR A  
24 POLITICAL SUBDIVISION OF THIS STATE.

25 SEC. 776. THE AGGREGATE OUTSTANDING OBLIGATION OF ALL  
26 AGREEMENTS ENTERED INTO UNDER THIS PART SHALL NOT EXCEED  
27 \$50,000,000.00 IN ANY CALENDAR YEAR.

1           Enacting section 1. This amendatory act takes effect 90 days  
2 after the date it is enacted into law.

3           Enacting section 2. This amendatory act does not take effect  
4 unless Senate Bill No.\_\_\_\_ or House Bill No. 4751 (request no.  
5 02535'15) of the 98th Legislature is enacted into law.