

[No. 285]**(HB 5882)**

AN ACT to amend 1979 PA 218, entitled “An act to provide for the licensing and regulation of adult foster care facilities; to provide for the establishment of standards of care for adult foster care facilities; to prescribe powers and duties of the department of social services and other departments; to prescribe certain fees; to prescribe penalties; and to repeal certain acts and parts of acts,” by amending section 13a (MCL 400.713a), as added by 1992 PA 176.

The People of the State of Michigan enact:

400.713a Fees.

Sec. 13a. (1) Application fees for an individual, partnership, firm, corporation, association, governmental organization, or nongovernmental organization licensed or seeking licensure under this act are as follows:

(a) Application fee for a temporary license:

| | |
|------------------------------------|----------|
| (i) Family home..... | \$ 65.00 |
| (ii) Small group home (1-6)..... | 105.00 |
| (iii) Small group home (7-12)..... | 135.00 |
| (iv) Large group home..... | 170.00 |
| (v) Congregate facility | 220.00 |
| (vi) Camp..... | 40.00 |

(b) Application fee for subsequent licenses:

| | |
|------------------------------------|----------|
| (i) Family home..... | \$ 25.00 |
| (ii) Small group home (1-6)..... | 25.00 |
| (iii) Small group home (7-12)..... | 60.00 |
| (iv) Large group home..... | 100.00 |
| (v) Congregate facility | 150.00 |
| (vi) Camp..... | 25.00 |

(2) Fees collected under this act shall be credited to the general fund of the state to be appropriated by the legislature to the department for the enforcement of this act.

(3) The department shall use a portion of the fees collected to inspect new adult foster care facilities for fiscal year 1991-1992.

Conditional effective date.

Enacting section 1. This amendatory act does not take effect unless Senate Bill No. 1215 of the 92nd Legislature is enacted into law.

This act is ordered to take immediate effect.

Approved July 22, 2004.

Filed with Secretary of State July 23, 2004.

[No. 286]**(HB 5990)**

AN ACT to amend 1954 PA 116, entitled “An act to reorganize, consolidate, and add to the election laws; to provide for election officials and prescribe their powers and duties; to prescribe the powers and duties of certain state departments, state agencies, and state and local officials and employees; to provide for the nomination and election of candidates for public office; to provide for the resignation, removal, and recall of certain public officers; to provide for the filling of vacancies in public office; to provide for and regulate primaries and elections; to provide for the purity of elections; to guard against the abuse of the elective franchise; to define violations of this act; to provide appropriations; to prescribe penalties and provide remedies; and to repeal certain acts and all other acts inconsistent with this act,” by amending section 301 (MCL 168.301), as added by 2003 PA 302.

The People of the State of Michigan enact:

168.301 School district election; school district election coordinator; duties; delegation.

Sec. 301. (1) Unless a particular power or duty of an election official or a particular election procedure is specifically governed by a provision of this chapter, a school district election is governed by the provisions of this act that generally govern elections.

(2) Except as provided in section 305, the school district election coordinator for a school district shall conduct each regular election and each special election that is requested by the school board to submit a ballot question or to fill a vacancy on the school board. In addition to receiving requests from the school board to hold special elections, the school district election coordinator shall do all of the following:

(a) Receive filing fees or nominating petitions and affidavits of identity from candidates for school board and petitions for special elections.

(b) Procure the necessary qualified voter file precinct lists.

(c) Certify candidates.

(d) Receive ballot proposal language.

(e) Issue absent voter ballots.

(3) A school district election coordinator who is a county clerk may delegate, if the city or township clerk agrees, all or a portion of the school district election coordinator's duties to that city or township clerk. The school district election coordinator shall not delegate duties to any person not named in this section.

(4) A school district election coordinator who is a county clerk may delegate the following duties to the city or township clerk, who shall perform the following duties:

(a) Distribute, receive, and process absent voter ballot applications for a school election.

(b) Make voting systems available for the conduct of a school election.

(c) Make available to the school district election coordinator the list of election inspectors for that city or township.

This act is ordered to take immediate effect.

Approved July 23, 2004.

Filed with Secretary of State July 23, 2004.

[No. 287]**(HB 5991)**

AN ACT to amend 1954 PA 116, entitled “An act to reorganize, consolidate, and add to the election laws; to provide for election officials and prescribe their powers and duties; to prescribe the powers and duties of certain state departments, state agencies, and state and local officials and employees; to provide for the nomination and election of candidates for public office; to provide for the resignation, removal, and recall of certain public officers; to provide for the filling of vacancies in public office; to provide for and regulate primaries and elections; to provide for the purity of elections; to guard against the abuse of the elective franchise; to define violations of this act; to provide appropriations; to prescribe penalties and provide remedies; and to repeal certain acts and all other acts inconsistent with this act,” by amending section 305 (MCL 168.305), as added by 2003 PA 302.

The People of the State of Michigan enact:

168.305 School district election coordinating committee; meeting; report; election arrangements; precincts.

Sec. 305. (1) Within 30 days after the effective date of this chapter, the school district election coordinating committee for each school district shall hold an initial meeting. Within 14 days after convening the initial meeting, the school district election coordinating committee shall file a report with the secretary of state that sets forth the arrangements that are agreed upon for the conduct of the school district’s elections. Each school district election coordinating committee member shall sign the report and retain a copy.

(2) After filing its initial report under subsection (1), a school district election coordinating committee shall meet at 2-year intervals to review and, if necessary, alter the election arrangements set forth in its previous report. After each review, a school district election coordinating committee shall either notify the secretary of state in writing that its previous report is not being altered or file with the secretary of state a report with the alterations. Election arrangements made by the clerks of the jurisdictions participating in the school district election coordinating committee meeting are binding on the participating jurisdictions for at least 2 years after the report is filed, and each jurisdiction continues to be bound until an altered report is filed.

(3) The arrangements agreed upon by a school district election coordinating committee for the conduct of the school district’s elections shall accomplish at least both of the following:

(a) If a school district election is held on the same day as an election of a jurisdiction that overlaps with the school district, an elector wishing to vote in both elections shall not be required to vote at 2 different locations.

(b) If, before the filing of an initial report or of the notice or altered report after its 2-year review, a city or township clerk notifies the school district election coordinating committee that the city or township clerk, in consultation with the city council or township board, as applicable, has decided to participate in the conduct of the school district’s elections, the school district election coordinating committee shall include that city or township clerk in its initial or an altered report as the person conducting the school district’s elections in the clerk’s city or township.

(4) Notwithstanding the other provisions of this chapter, if a city or township is holding an election for elective office or on a ballot question at the same time that a school district located in whole or part in the city or township is holding an election, the city or township clerk shall also conduct the school district election within his or her jurisdiction.

If a city or township clerk is conducting a school election under this subsection, the clerk shall use the same precincts that are used for state and federal elections as the precincts for the school district election. If these precincts change the polling place location for school district electors, the clerk shall notify those school district electors of the location of the different polling place. A city or township clerk with the consent of the school district election coordinator may use the school election precincts and polling places. A city or township clerk conducting an election under this subsection may consolidate election precincts in the manner provided in section 659.

This act is ordered to take immediate effect.

Approved July 23, 2004.

Filed with Secretary of State July 23, 2004.

[No. 288]

(HB 5992)

AN ACT to amend 1954 PA 116, entitled “An act to reorganize, consolidate, and add to the election laws; to provide for election officials and prescribe their powers and duties; to prescribe the powers and duties of certain state departments, state agencies, and state and local officials and employees; to provide for the nomination and election of candidates for public office; to provide for the resignation, removal, and recall of certain public officers; to provide for the filling of vacancies in public office; to provide for and regulate primaries and elections; to provide for the purity of elections; to guard against the abuse of the elective franchise; to define violations of this act; to provide appropriations; to prescribe penalties and provide remedies; and to repeal certain acts and all other acts inconsistent with this act,” (MCL 168.1 to 168.992) by adding section 309.

The People of the State of Michigan enact:

168.309 Acceptance of office.

Sec. 309. Within 5 business days after certification of an election, each member-elect shall be notified of the election. Within 10 business days after notification by the school district election coordinator of election or appointment to the board, each person shall file with the secretary of the board an acceptance of the office to which the person has been elected or appointed. The secretary of the board shall forward a copy of the acceptance to the school district election coordinator.

This act is ordered to take immediate effect.

Approved July 23, 2004.

Filed with Secretary of State July 23, 2004.

[No. 289]

(HB 5993)

AN ACT to amend 1954 PA 116, entitled “An act to reorganize, consolidate, and add to the election laws; to provide for election officials and prescribe their powers and duties; to

prescribe the powers and duties of certain state departments, state agencies, and state and local officials and employees; to provide for the nomination and election of candidates for public office; to provide for the resignation, removal, and recall of certain public officers; to provide for the filling of vacancies in public office; to provide for and regulate primaries and elections; to provide for the purity of elections; to guard against the abuse of the elective franchise; to define violations of this act; to provide appropriations; to prescribe penalties and provide remedies; and to repeal certain acts and all other acts inconsistent with this act,” by amending section 311 (MCL 168.311), as added by 2003 PA 302.

The People of the State of Michigan enact:

168.311 Vacancy; appointment; election; notice to school district election coordinator.

Sec. 311. (1) If less than a majority of the offices of school board member of a school district become vacant, the remaining school board members shall fill each vacant office by appointment. If a vacancy in the office of school board member is not filled within 30 days after the vacancy occurs or if a majority of the offices of school board member of a school district become vacant, the intermediate school board for that school district shall fill each vacancy by appointment. An individual appointed under this subsection serves until a successor is elected and qualified.

(2) If a vacancy occurs in an office of school board member more than 90 days before a regular school election, an election shall be held at that regular school election to fill that office for the remainder of the office’s unexpired term, if any. This subsection applies regardless of whether an individual is appointed under subsection (1) to fill the vacancy.

(3) Within 3 days after an appointment is made to fill a vacancy in an elected office in a school district, the secretary of the school board shall notify the school district election coordinator, in writing, of the name, address, and office of the person who vacated the office as well as the person filling the office.

This act is ordered to take immediate effect.

Approved July 23, 2004.

Filed with Secretary of State July 23, 2004.

[No. 290]

(HB 5995)

AN ACT to amend 1954 PA 116, entitled “An act to reorganize, consolidate, and add to the election laws; to provide for election officials and prescribe their powers and duties; to prescribe the powers and duties of certain state departments, state agencies, and state and local officials and employees; to provide for the nomination and election of candidates for public office; to provide for the resignation, removal, and recall of certain public officers; to provide for the filling of vacancies in public office; to provide for and regulate primaries and elections; to provide for the purity of elections; to guard against the abuse of the elective franchise; to define violations of this act; to provide appropriations; to prescribe penalties and provide remedies; and to repeal certain acts and all other acts inconsistent with this act,” by amending section 381 (MCL 168.381), as amended by 2003 PA 302.

The People of the State of Michigan enact:

168.381 Village officers; qualifications, nomination, election, appointment, term, and removal; temporary appointment of trustees for transaction of business; expiration of appointment; filing for office.

Sec. 381. (1) Except as provided in subsection (2) and sections 383, 641, 642, and 644g, the qualifications, nomination, election, appointment, term of office, and removal from office of a village officer shall be as determined by the charter provisions governing the village.

(2) If the membership of the village council of a village governed by the general law village act, 1895 PA 3, MCL 61.1 to 74.25, is reduced to less than a quorum of 4 and a special election for the purpose of filling all vacancies in the office of trustee is called under section 13 of chapter II of the general law village act, 1895 PA 3, MCL 62.13, temporary appointments of trustees shall be made as provided in this subsection. The board of county election commissioners of the county in which the largest portion of the population of the village is situated shall make temporary appointment of the number of trustees required to constitute a quorum for the transaction of business by the village council. A trustee appointed under this subsection shall hold the office only until the trustee's successor is elected and qualified. A trustee who is temporarily appointed under this subsection shall not vote on the appointment of himself or herself to an elective or appointive village office.

(3) Notwithstanding another provision of law or charter to the contrary, an appointment to an elective or appointive village office made by a quorum constituted by temporary appointments under this subsection expires upon the election and qualification of trustees under the special election called to fill the vacancies in the office of trustee.

(4) Filing for a village office shall be with the township clerk if the township is conducting the election or if the village is located in more than 1 township with the township in which the largest number of the registered electors of the village reside.

This act is ordered to take immediate effect.

Approved July 23, 2004.

Filed with Secretary of State July 23, 2004.

[No. 291]

(HB 5996)

AN ACT to amend 1954 PA 116, entitled "An act to reorganize, consolidate, and add to the election laws; to provide for election officials and prescribe their powers and duties; to prescribe the powers and duties of certain state departments, state agencies, and state and local officials and employees; to provide for the nomination and election of candidates for public office; to provide for the resignation, removal, and recall of certain public officers; to provide for the filling of vacancies in public office; to provide for and regulate primaries and elections; to provide for the purity of elections; to guard against the abuse of the elective franchise; to define violations of this act; to provide appropriations; to prescribe penalties and provide remedies; and to repeal certain acts and all other acts inconsistent with this act," by amending section 500f (MCL 168.500f), as amended by 2003 PA 302.

The People of the State of Michigan enact:

168.500f Transmitting information to village clerk.

Sec. 500f. In the case of an election for village officers only, the clerk of a township shall transmit to the village clerk of a village that lies partly or completely in the township and that holds its regular election in September under section 642(7) the information necessary to complete the village registration of a person registered under sections 500a to 500j.

This act is ordered to take immediate effect.

Approved July 23, 2004.

Filed with Secretary of State July 23, 2004.

[No. 292]

(HB 5997)

AN ACT to amend 1954 PA 116, entitled “An act to reorganize, consolidate, and add to the election laws; to provide for election officials and prescribe their powers and duties; to prescribe the powers and duties of certain state departments, state agencies, and state and local officials and employees; to provide for the nomination and election of candidates for public office; to provide for the resignation, removal, and recall of certain public officers; to provide for the filling of vacancies in public office; to provide for and regulate primaries and elections; to provide for the purity of elections; to guard against the abuse of the elective franchise; to define violations of this act; to provide appropriations; to prescribe penalties and provide remedies; and to repeal certain acts and all other acts inconsistent with this act,” by amending section 642 (MCL 168.642), as added by 2003 PA 302.

The People of the State of Michigan enact:

168.642 Regular election or regular primary election; effective date.

Sec. 642. (1) Except as otherwise provided in this section and section 642a, on the effective date of this act, a city shall hold its regular election or regular primary election as follows:

- (a) A city shall hold its regular election for a city office at the odd year general election.
- (b) A city shall hold its regular election primary at the odd year primary election.
- (c) A city that holds its regular election for a city office annually or in the even year on the November regular election date shall continue holding elections on that schedule.
- (d) A city that holds its regular election primary for a city office annually or in the even year on the August regular primary election date shall continue holding primary elections on that schedule.

(2) If, on September 1, 2004, a city holds its regular election at other than a regular November election date, the city council may choose to hold the regular election on the May regular election date by adopting a resolution in compliance with this section. Except as provided in section 642a, if a city council adopts the resolution in compliance with this section to hold its regular election on the May regular election date, after December 31, 2004, the city’s regular election is on the May regular election date. If a city’s regular

election is held on the May regular election date, the city's regular election primary shall be held on the February regular election date immediately before its regular election.

(3) If, on September 1, 2004, a city holds its regular election annually or in the even year on the November regular election date, the city council may choose to hold the regular election at the odd year general election by adopting a resolution in compliance with this section. Except as provided in section 642a, if a city council adopts the resolution in compliance with this section to hold its regular election at the odd year general election, after December 31, 2004, the city's regular election is at the odd year election. If a city's regular election is held at the odd year general election, the city's regular election primary shall be held at the odd year primary election.

(4) If, on September 1, 2004, a city holds its regular election annually on the November regular election date, the city council may choose to hold the regular election at the even year general election by adopting a resolution in compliance with this section. Except as provided in section 642a, if a city council adopts the resolution in compliance with this section to hold its regular election at the even year general election, after December 31, 2004, the city's regular election is at the even year election. If a city's regular election is held at the even year general election, the city's regular election primary shall be held at the even year primary election.

(5) If, on September 1, 2004, a city holds its regular election primary at the September primary election, the city council may choose to continue holding its regular election primary at the September primary election by adopting a resolution in compliance with this section. Except as provided in section 642a(2), if a city council adopts the resolution in compliance with this section to hold its regular election primary at the September primary election, after December 31, 2004, the city's regular election primary is at the September primary election.

(6) Except as otherwise provided in this section and section 642a, on September 1, 2004, a village shall hold its regular election as follows:

(a) A village shall hold its regular election for a village office at the general election and the appropriate township clerk shall conduct the election.

(b) A village shall not hold a regular primary election.

(7) A village council may make a 1-time choice to hold the regular election at the September primary election by adopting a resolution in compliance with this section. Except as provided in section 642a, if a village council adopts the resolution in compliance with this section to hold its regular election at the September primary election, after December 31, 2004, the village's regular election is at the September primary election and the village clerk shall conduct the election. The resolution may provide for the terms of office and for staggered terms. If a village's regular or special election is held in conjunction with another election conducted by a township, the village shall pay the township a proportionate share of the election expenses. If a village's regular or special election is not held in conjunction with another election conducted by a township, the village shall pay the township 100% of the actual costs of conducting the village's regular or special election. The township shall make voting equipment available to a village if the village conducts an election. If the village is located in more than 1 township, the township with the largest number of village electors shall furnish the voting equipment.

(8) Except as otherwise provided in this section and section 642a, on September 1, 2004, a school district shall hold its regular election for the office of school board member at the odd year general election.

(9) If, on September 1, 2004, a school district holds its regular election at other than the odd year general election, the school district's school board may choose to hold its regular election on 1 of the following by adopting a resolution in compliance with this section:

- (a) The odd year May regular election date.
- (b) The November regular election date in both even and odd years.
- (c) The May regular election date in both even and odd years.

(10) A resolution permitted under this section or section 642a is valid only if a city council, village council, or school board adopts the resolution in compliance with all of the following:

(a) The resolution is adopted before 1 of the following:

(i) If the resolution is permitted under subsection (2), (3), (4), (5), (7), or (9) of this section, January 1, 2005.

(ii) If the resolution is permitted under section 642a(1), (2), or (3), January 1 of the year in which the change in the date of the election takes effect.

(b) Before adopting the resolution, the council or school board holds at least 1 public hearing on the resolution. The public hearing may be held on the same day and immediately before considering the adoption of the resolution.

(c) The council or school board gives notice of each public hearing on the resolution in a manner designed to reach the largest number of the jurisdiction's qualified electors in a timely fashion, and the notice states at least the following, as applicable:

(i) That the hearing is being held on the issue of whether to schedule the city's regular election on the May regular election date and that, if the resolution is not adopted, the city's regular election will be held at the odd year general election.

(ii) That the hearing is being held on the issue of whether to schedule the city's regular election primary at the September primary election and that, if the resolution is not adopted, the city's regular election primary will be held on the odd year primary election.

(iii) That the hearing is being held on the issue of whether to schedule the village's regular election at the September primary election and that, if the resolution is not adopted, the village's regular election will be held at the general election.

(iv) That the hearing is being held on the issue of whether to schedule the school district's regular election at other than the odd year general election and that, if the resolution is not adopted, the school district's regular election will be held at the odd year general election. The notice shall specifically state the regular election date permitted under subsection (8) on which the school board is proposing that the school district's regular election be held.

(v) That the hearing is being held on the issue of whether to schedule the school district's regular election at the odd year general election and that, if the resolution is not adopted, the school district's regular election will continue to be held on the date on which it is currently being held.

(d) The council or school board votes on the resolution and, on a record roll call vote, a majority of the council's or school board's members, elected or appointed, and serving, adopt the resolution.

(e) The council or school board files the resolution with the secretary of state.

(11) This section takes effect September 1, 2004.

This act is ordered to take immediate effect.

Approved July 23, 2004.

Filed with Secretary of State July 23, 2004.

[No. 293]**(HB 5998)**

AN ACT to amend 1954 PA 116, entitled “An act to reorganize, consolidate, and add to the election laws; to provide for election officials and prescribe their powers and duties; to prescribe the powers and duties of certain state departments, state agencies, and state and local officials and employees; to provide for the nomination and election of candidates for public office; to provide for the resignation, removal, and recall of certain public officers; to provide for the filling of vacancies in public office; to provide for and regulate primaries and elections; to provide for the purity of elections; to guard against the abuse of the elective franchise; to define violations of this act; to provide appropriations; to prescribe penalties and provide remedies; and to repeal certain acts and all other acts inconsistent with this act,” by amending section 644g (MCL 168.644g), as amended by 2003 PA 302.

The People of the State of Michigan enact:

168.644g Terms of office; extension.

Sec. 644g. (1) A term of office shall not be shortened by the provisions of sections 641 to 644i. An officer scheduled by prior law to be elected at a time other than the odd year general election shall not be elected on the date scheduled but shall continue in office until a successor takes office after being elected in the first odd year general election following that date. If the regular election date for holding a jurisdiction’s regular election is changed under section 642 or 642a, the term of an official who was elected before the effective date of the change continues until a successor is elected and qualified at the next regular election.

(2) Notwithstanding a law or charter provision to the contrary, an officer required to be elected at the odd year general election, who by law or charter is elected for a term of an odd number of years shall, after September 1, 2004, be elected for a term of 1 year longer than provided by law or charter.

(3) In home rule cities where the charter provides for the election of city officers at a time other than at the odd year general election and provides that members of the governing body are not all to be elected in the same year, the governing body by ordinance adopted prior to April 1, 1971 may alter the length of terms now provided by charter to provide that the city may continue to elect part of the governing body at each election. A term shall not be extended beyond January 1 following the first odd year general election at which the officer would be elected as provided by charter. A term shall not be for more than 4 years.

This act is ordered to take immediate effect.

Approved July 23, 2004.

Filed with Secretary of State July 23, 2004.

[No. 294]**(HB 5999)**

AN ACT to amend 1954 PA 116, entitled “An act to reorganize, consolidate, and add to the election laws; to provide for election officials and prescribe their powers and duties; to prescribe the powers and duties of certain state departments, state agencies, and state and local officials and employees; to provide for the nomination and election of candidates for

public office; to provide for the resignation, removal, and recall of certain public officers; to provide for the filling of vacancies in public office; to provide for and regulate primaries and elections; to provide for the purity of elections; to guard against the abuse of the elective franchise; to define violations of this act; to provide appropriations; to prescribe penalties and provide remedies; and to repeal certain acts and all other acts inconsistent with this act,” by amending section 642a (MCL 168.642a), as added by 2003 PA 302.

The People of the State of Michigan enact:

168.642a Change of regular election or regular primary election to odd year; effective date.

Sec. 642a. (1) After December 31, 2004, a city council that adopted a resolution so that its regular election is held on the May regular election date may change its regular election to the odd year general election by adopting a resolution in compliance with section 642. If a city council adopts the resolution in compliance with section 642 to hold its regular election at the odd year general election, after December 31 of the year in which the resolution is adopted, the city’s regular election is at the odd year general election.

(2) After December 31, 2004, a city council that holds its regular election for city offices annually or in the even year on the November regular election date may change its regular election schedule to the odd year general election and the odd year primary election by adopting a resolution in compliance with section 642. If a city council adopts the resolution in compliance with section 642, the city’s regular election is at the odd year general election and its primary is at the odd year primary election.

(3) After December 31, 2004, a city council that adopted a resolution so that its regular election primary is held at the September primary election may change its regular election primary to the odd year primary election by adopting a resolution in compliance with section 642. If a city council adopts the resolution in compliance with section 642 to hold its regular election primary on the odd year primary election date, after December 31 of the year in which the resolution is adopted, the city’s regular election primary is on the odd year primary election date.

(4) After December 31, 2004, a school district’s school board that adopted a resolution so that its regular election is held on a date other than at the odd year general election may change its regular election to the odd year general election by adopting a resolution in compliance with section 642. If a school board adopts the resolution in compliance with section 642 to hold its regular election at the odd year general election, after December 31 of the year in which the resolution is adopted, the school board’s school district shall hold its regular election at the odd year general election.

(5) After December 31, 2004, a village council that adopted a resolution so that its regular election is held on the September primary election date may change its regular election to the November regular election date by adopting a resolution in compliance with section 642. If a village council adopts the resolution in compliance with section 642 to hold its regular election at the November regular election date, after December 31 of the year in which the resolution is adopted, the village’s regular election is at the November regular election date.

(6) This section takes effect September 1, 2004.

This act is ordered to take immediate effect.

Approved July 23, 2004.

Filed with Secretary of State July 23, 2004.

[No. 295]**(HB 6000)**

AN ACT to amend 1954 PA 116, entitled “An act to reorganize, consolidate, and add to the election laws; to provide for election officials and prescribe their powers and duties; to prescribe the powers and duties of certain state departments, state agencies, and state and local officials and employees; to provide for the nomination and election of candidates for public office; to provide for the resignation, removal, and recall of certain public officers; to provide for the filling of vacancies in public office; to provide for and regulate primaries and elections; to provide for the purity of elections; to guard against the abuse of the elective franchise; to define violations of this act; to provide appropriations; to prescribe penalties and provide remedies; and to repeal certain acts and all other acts inconsistent with this act,” by amending section 646a (MCL 168.646a), as amended by 2003 PA 302.

The People of the State of Michigan enact:

168.646a Election of local officers; nomination; certification; certifying ballot wording of local or county questions; applicability of section.

Sec. 646a. (1) If a local officer is to be elected at a general November election, candidates for the local office shall be nominated in the manner provided by law or charter, subject to sections 641 and 642. If candidates for the local office are to be nominated at caucuses, the caucuses shall be held on a date before the date set for the primary election or on the Saturday before the day of the primary election as determined by the local legislative body at least 20 days before the date of the caucus. If candidates are nominated by filing petitions or affidavits, they shall be filed at a time provided by charter, but not later than the date of the primary. Except as provided in section 642, the local primary election shall be held on the same day as a state or county primary election. If a state or county primary is being held on the same day, the last day for local candidates to file nominating petitions is the same as the last date to file petitions for state and county offices. The names of all local candidates and titles of office shall be certified to the county clerk by the local clerk within 5 days after the last day for filing petitions, and certification of nominees shall be made to that clerk within 5 days after the date on which the primary or caucus was held.

(2) If a local, school district, or county ballot question is to be voted on at a regular election date or special election, the ballot wording of the ballot question shall be certified to the local or county clerk at least 70 days before the election. If the wording is certified to a clerk other than the county clerk, the clerk shall certify the ballot wording to the county clerk at least 68 days before the election. If a local, school district, or county ballot question is to be voted on at a regular election date or special election at which no state or federal offices are to be voted for, the ballot wording of the ballot question shall be certified to the local or county clerk responsible for printing the ballots at least 60 days before the election date. Petitions to place a county or local ballot question on the ballot at the election shall be filed with the clerk at least 14 days before the date the ballot wording must be certified to the local clerk.

(3) The provisions of this section apply notwithstanding any provisions of law or charter to the contrary, unless an earlier date for the filing of affidavits or petitions, including

nominating petitions, is provided in a law or charter, in which case the earlier filing date is controlling.

This act is ordered to take immediate effect.

Approved July 23, 2004.

Filed with Secretary of State July 23, 2004.

[No. 296]

(HB 6001)

AN ACT to amend 1954 PA 116, entitled “An act to reorganize, consolidate, and add to the election laws; to provide for election officials and prescribe their powers and duties; to prescribe the powers and duties of certain state departments, state agencies, and state and local officials and employees; to provide for the nomination and election of candidates for public office; to provide for the resignation, removal, and recall of certain public officers; to provide for the filling of vacancies in public office; to provide for and regulate primaries and elections; to provide for the purity of elections; to guard against the abuse of the elective franchise; to define violations of this act; to provide appropriations; to prescribe penalties and provide remedies; and to repeal certain acts and all other acts inconsistent with this act,” by amending section 659 (MCL 168.659), as added by 2003 PA 302.

The People of the State of Michigan enact:

168.659 Consolidation of election precincts.

Sec. 659. (1) If a county, city, ward, township, village, or school district is divided into 2 or more election precincts, the county, city, ward, township, or village election commissioners may, by resolution, consolidate the election precincts for a particular election that is not a general November election, primary election immediately before a general November election, or other statewide or federal election. In making the determination to consolidate election precincts for a particular election, the election commission shall take into consideration the number of choices the voter must make, the percentage of registered voters who voted at the last similar election in the jurisdiction, and the intensity of the interest of the electors in the jurisdiction concerning the candidates and proposals to be voted upon. Consolidated precincts shall not exceed 5,000 registered electors.

(2) A consolidation under this section shall be made not less than 60 days before a primary, general, or special election.

(3) Unless the polling places for the election precincts to be consolidated are located in the same building, when a county, city, ward, township, or village consolidates election precincts for a particular election under subsection (1), the election commissioners or other designated election officials shall do both of the following:

(a) Provide notice to the registered electors of the affected election precincts of the consolidation of election precincts for the particular election and the location of the polling place for the election precinct or precincts for that election. Notice may be provided by mail or other method designed to provide actual notice to the registered electors.

(b) Post a written notice at each election precinct polling place stating the location of the consolidated election precinct polling place.

(4) If a county, city, ward, township, or village consolidates election precincts under this section, each affected election precinct shall be treated as a whole unit and shall not be divided during the consolidation.

This act is ordered to take immediate effect.

Approved July 23, 2004.

Filed with Secretary of State July 23, 2004.

[No. 297]

(HB 6002)

AN ACT to amend 1954 PA 116, entitled “An act to reorganize, consolidate, and add to the election laws; to provide for election officials and prescribe their powers and duties; to prescribe the powers and duties of certain state departments, state agencies, and state and local officials and employees; to provide for the nomination and election of candidates for public office; to provide for the resignation, removal, and recall of certain public officers; to provide for the filling of vacancies in public office; to provide for and regulate primaries and elections; to provide for the purity of elections; to guard against the abuse of the elective franchise; to define violations of this act; to provide appropriations; to prescribe penalties and provide remedies; and to repeal certain acts and all other acts inconsistent with this act,” by amending section 699 (MCL 168.699).

The People of the State of Michigan enact:

168.699 Nonpartisan offices; placement on separate ballot; order of listing offices.

Sec. 699. At the general November election, the names of the several nonpartisan offices to be voted for shall be placed on a separate portion of the ballot containing no party designation in the following order: justices of the supreme court, judges of the court of appeals, judges of the circuit court, judges of the probate court, judges of the district court, the following village officers in substantially the following order in the year in which elections for the offices are held: president, clerk, treasurer, and trustees, and in a year in which an election for the office is held, school board member.

This act is ordered to take immediate effect.

Approved July 23, 2004.

Filed with Secretary of State July 23, 2004.

[No. 298]

(HB 6003)

AN ACT to amend 1954 PA 116, entitled “An act to reorganize, consolidate, and add to the election laws; to provide for election officials and prescribe their powers and duties; to prescribe the powers and duties of certain state departments, state agencies, and state

and local officials and employees; to provide for the nomination and election of candidates for public office; to provide for the resignation, removal, and recall of certain public officers; to provide for the filling of vacancies in public office; to provide for and regulate primaries and elections; to provide for the purity of elections; to guard against the abuse of the elective franchise; to define violations of this act; to provide appropriations; to prescribe penalties and provide remedies; and to repeal certain acts and all other acts inconsistent with this act,” by amending section 972 (MCL 168.972), as amended by 2003 PA 302.

The People of the State of Michigan enact:

168.972 Nominating and voting for candidate for nonpartisan office; signing and filing nominating petition; election to fill vacancy for unexpired term; signing, contents, and filing of petition.

Sec. 972. (1) Except as provided in subsection (2), a candidate for a nonpartisan office shall be nominated and voted for in an election scheduled under section 971 by filing a nominating petition or paying a \$100.00 nonrefundable fee not later than 4 p.m. on the fifteenth day after the clerk of the county where the petition was filed announces the official result of the recall election. The clerk shall publicly announce the result of the recall election at the conclusion of the meeting held by the board of county canvassers to certify the recall election. The nominating petition shall be filed with the clerk of the electoral district and signed by a number of qualified and registered electors of the electoral district as determined under section 544f. Instead of filing a nominating petition, an individual may become a candidate by paying a \$100.00 nonrefundable fee with the clerk of the electoral district.

(2) This subsection applies to an election to fill a vacancy for an unexpired term created by a recall of a school board member, if the election is scheduled to be held on the same date as a general election. A nominating petition filed by a candidate shall be signed by a number of qualified and registered electors of the school district as determined under section 303. The nominating petition shall clearly state that it relates to the filling of a vacancy for an unexpired term and shall be filed with the school district election coordinator, as designated by section 301, not later than 4 p.m. on the fifteenth day after the clerk of the county where the petition was filed announces the official result of the recall election. The clerk shall publicly announce the result of the recall election at the conclusion of the meeting held by the board of county canvassers to certify the recall election. Instead of filing a nominating petition, an individual may become a candidate by paying a \$100.00 nonrefundable fee to the school district election coordinator.

This act is ordered to take immediate effect.

Approved July 23, 2004.

Filed with Secretary of State July 23, 2004.

[No. 299]

(HB 6004)

AN ACT to amend 1909 PA 278, entitled “An act to provide for the incorporation of villages and for revising and amending their charters; to provide for the levy and

collection of taxes, borrowing of money, and issuance of bonds and other evidences of indebtedness; to validate bonds issued and obligations previously incurred; and to prescribe penalties and provide remedies,” by amending section 21 (MCL 78.21), as amended by 2003 PA 304.

The People of the State of Michigan enact:

78.21 Election; expenses; manner of conducting.

Sec. 21. (1) All elections held under this act shall be paid for as provided by the Michigan election law, 1954 PA 116, MCL 168.1 to 168.992. The appropriate clerk shall determine the publication and notice of the election.

(2) Notwithstanding a charter provision providing otherwise, the day on which a village holds its regular or a special election is governed by the Michigan election law, 1954 PA 116, MCL 168.1 to 168.992, or by a resolution adopted in compliance with section 642 or 642a of the Michigan election law, 1954 PA 116, MCL 168.642 and 168.642a.

This act is ordered to take immediate effect.

Approved July 23, 2004.

Filed with Secretary of State July 23, 2004.

[No. 300]

(HB 6005)

AN ACT to amend 1895 PA 3, entitled “An act to provide for the government of certain villages; to define their powers and duties; to provide for the levy and collection of taxes, borrowing of money, and issuance of bonds and other evidences of indebtedness by villages subject to this act; to define the powers and duties of certain state and local officers and entities; to define the application of this act and provide for its amendment by villages subject to this act; to validate prior amendments and certain prior actions taken and bonds issued by villages subject to this act; to provide for the disincorporation of villages; and to prescribe penalties and provide remedies,” by amending sections 1 and 5 of chapter II and section 1 of chapter III (MCL 62.1, 62.5, and 63.1), as amended by 2003 PA 305.

The People of the State of Michigan enact:

CHAPTER II

62.1 Village officers; council; ordinance providing for election and terms of office; adoption; filing petition to delay effect of ordinance; ballot question.

Sec. 1. (1) Except as provided in subsections (2) and (3), in each village, the following officers shall be elected: a president, 6 trustees, 1 clerk, and 1 treasurer. The president and trustees constitute the council. In all votes for which not less than a majority vote of council is required, the calculation of the number of votes required shall be based on the maximum number that constitutes council.

(2) The council by a vote of 2/3 of the members of council may provide by ordinance for the reduction in the number of trustees to 4 or for the election of all trustees at the same election for 2-year terms at the first possible election after 2004 who with the president

shall constitute the council, and may provide by ordinance for the method of changing from 2-year staggered terms to 4-year staggered terms. If village trustees are elected biennially for staggered 4-year terms, the ordinance shall as nearly as possible maintain staggered terms and provide for an equal number of seats to be filled at each election. The ordinance may extend but shall not shorten the term of an incumbent trustee. The ordinance may extend a prospective term. The ordinance shall not shorten or eliminate a prospective term unless the nomination deadline for that term is not less than 30 days after the effective date of the ordinance. An ordinance adopted under this subsection shall satisfy both of the following conditions:

(a) The ordinance shall be voted on and adopted at a meeting that occurs not less than 10 days after the initial meeting or public hearing at which the ordinance was considered.

(b) Notice of each meeting at which the ordinance is considered indicating that an ordinance reducing the size of the council or to change the time of election of the trustees comprising the council will be 1 of the subjects of the meeting shall be published not less than 10 days before the meeting in a newspaper of general circulation in the village.

(3) The council by a vote of 2/3 of the members of council may provide by ordinance for the nomination by the president and the appointment by the council of the clerk or the treasurer or both for such a term as the ordinance may provide. The ordinance shall apply beginning with the first term the nomination deadline for which would have been not less than 30 days after the effective date of the ordinance or shall apply when the office is vacated, whichever occurs first.

(4) The council shall provide that an ordinance adopted under subsection (2) or (3) takes effect 45 days after the date of adoption unless a petition signed by not less than 10% of the registered electors of the village is filed with the village clerk within the 45-day period, in which case the ordinance takes effect upon approval at an election held on the question. Notice of the delayed effect of the ordinance and the right of petition under this subsection shall be published separately at the same time, and in the same manner, as the ordinance is published pursuant to section 4 of chapter VI. The village clerk shall verify the signatures on the petitions. If a petition bearing the required number of valid signatures of electors is filed, the question of adoption of the ordinance shall be submitted at the next general or special election. The ballot language for the question shall be prepared by the village clerk, unless the question concerns the appointment of the clerk under subsection (2), in which case the ballot language shall be prepared by the village council.

(5) A village that has adopted an ordinance reducing the number of trustees to 4 or providing for the appointment by the council of the clerk or treasurer may increase the number of trustees to 6 or provide for the election of the clerk or treasurer by the same process as provided in subsection (2) or (3), respectively, and in subsection (4).

62.5 Village trustees; term of office; exemption by resolution; ordinance providing for election and terms of office.

Sec. 5. Except as otherwise provided in this section, 3 village trustees shall be elected at each biennial village election for the term of 4 years and until their successors are qualified. As an alternative, if provided by an ordinance adopted by the village all 6 village trustees shall be elected at the biennial village elections for the term of 2 years and until their successors are qualified. The term of office for a trustee elected at the village's regular election begins on 1 of the following dates:

(a) If the regular election is held at the general election, November 20 after the officer's election and qualification.

(b) If the regular election is held at the September primary election, October 1 after the officer's election and qualification.

CHAPTER III

63.1 Election; exception; place.

Sec. 1. (1) An election under this act shall be held at a place in the village as the council designates.

(2) Notwithstanding a charter provision or ordinance providing otherwise, the day on which a village holds its regular or a special election is governed by the Michigan election law, 1954 PA 116, MCL 168.1 to 168.992, or by a resolution adopted in compliance with section 642 or 642a of the Michigan election law, 1954 PA 116, MCL 168.642 and 168.642a.

This act is ordered to take immediate effect.

Approved July 23, 2004.

Filed with Secretary of State July 23, 2004.

[No. 301]**(HB 5653)**

AN ACT to amend 1933 PA 167, entitled “An act to provide for the raising of additional public revenue by prescribing certain specific taxes, fees, and charges to be paid to the state for the privilege of engaging in certain business activities; to provide, incident to the enforcement thereof, for the issuance of licenses to engage in such occupations; to provide for the ascertainment, assessment and collection thereof; to appropriate the proceeds thereof; and to prescribe penalties for violations of the provisions of this act,” (MCL 205.51 to 205.78) by adding section 4bb.

The People of the State of Michigan enact:

205.54bb Sale of eligible automobile to qualified recipient; exclusion from gross proceeds; definitions.

Sec. 4bb. (1) Beginning January 1, 2005, a qualified organization subject to the tax under this act may exclude from the gross proceeds used for the computation of the tax the sale of an eligible automobile to a qualified recipient.

(2) As used in this section:

(a) “Eligible automobile” means an automobile that meets all of the following requirements:

(i) The automobile has been inspected by a mechanic certified under the motor vehicle service and repair act, 1974 PA 300, MCL 257.1301 to 257.1340.

(ii) The automobile is insured as required under state law.

(iii) The automobile is registered to a qualified recipient.

(b) “Qualified organization” means an organization that applies for certification not later than July 1 of the year in which an exemption is claimed under this section and is certified by the department of treasury as meeting all of the following requirements:

(i) The organization is exempt from taxation under section 501(c)(3) of the internal revenue code, 26 USC 501.

(ii) The organization is licensed under the charitable organizations and solicitations act, 1975 PA 169, MCL 400.271 to 400.294.

(iii) The organization administers a program to provide a qualified recipient with an eligible automobile for transportation to his or her place of employment or for employment-related activities.

(c) “Qualified recipient” means a person certified by a qualified organization as meeting all of the following qualifications:

(i) The qualified recipient receives or, if he or she applied, would be eligible to receive public assistance through a program created and administered under the social welfare act, 1939 PA 280, MCL 400.1 to 400.119b.

(ii) The qualified recipient has a valid Michigan operator’s or chauffeur’s license.

(iii) The qualified recipient is financially capable of meeting any loan payment, insurance payment, or other expenditure associated with the eligible vehicle.

(iv) Public transportation is not reasonably available to the qualified recipient, the qualified recipient has no other reliable means by which to commute to his or her place of employment, and the qualified recipient will use the eligible vehicle as his or her primary means of transportation to commute to and from his or her place of employment.

(v) The qualified recipient has a demonstrated ability to maintain employment.

(vi) If the qualified recipient is currently employed for not less than an average of 20 hours per week, the qualified recipient requires an automobile to retain his or her current employment or to accept a verified offer of employment in a position that is demonstrably superior to his or her current position of employment.

(vii) If the qualified recipient is not currently employed or is employed for less than an average of 20 hours per week, the qualified recipient requires an automobile to accept a verified offer of employment of not less than an average of 20 hours per week and cannot begin employment in that position without an automobile.

This act is ordered to take immediate effect.

Approved July 23, 2004.

Filed with Secretary of State July 23, 2004.

[No. 302]

(HB 5463)

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 37g.

The People of the State of Michigan enact:

208.37g Tax credit for donated automobile.

Sec. 37g. (1) For tax years that begin after December 31, 2004 and before January 1, 2010, a taxpayer may claim a credit against the tax imposed by this act, subject to the

applicable limitations provided by this section, in an amount equal to 50% of the fair market value of an automobile donated by the taxpayer to a qualified organization that intends to provide the automobile to a qualified recipient.

(2) The value of a passenger vehicle shall be determined by the qualified organization or by using the value of the automobile in the appropriate guide published by the national automobile dealers association, whichever is less.

(3) The amount allowable as a credit under this section for a tax year shall not exceed \$100.00.

(4) If the credit allowed under this section exceeds the tax liability of the taxpayer for the tax year, that amount that exceeds the tax liability shall not be refunded.

(5) As used in this section, “qualified organization” and “qualified recipient” mean those terms as defined in section 4y of the use tax act, 1937 PA 94, MCL 205.94y.

Conditional effective date.

Enacting section 1. This amendatory act does not take effect unless House Bill No. 5653 of the 92nd Legislature is enacted into law.

This act is ordered to take immediate effect.

Approved July 23, 2004.

Filed with Secretary of State July 23, 2004.

Compiler's note: House Bill No. 5653, referred to in enacting section 1, was filed with the Secretary of State July 23, 2004, and became P.A. 2004, No. 301, Imd. Eff. July 23, 2004.

[No. 303]

(HB 4508)

AN ACT to amend 1976 PA 451, entitled “An act to provide a system of public instruction and elementary and secondary schools; to revise, consolidate, and clarify the laws relating to elementary and secondary education; to provide for the organization, regulation, and maintenance of schools, school districts, public school academies, intermediate school districts, and other public school entities; to prescribe rights, powers, duties, and privileges of schools, school districts, public school academies, intermediate school districts, and other public school entities; to provide for the regulation of school teachers and certain other school employees; to provide for school elections and to prescribe powers and duties with respect thereto; to provide for the levy and collection of taxes; to provide for the borrowing of money and issuance of bonds and other evidences of indebtedness; to establish a fund and provide for expenditures from that fund; to provide for and prescribe the powers and duties of certain state departments, the state board of education, and certain other boards and officials; to provide for licensure of boarding schools; to prescribe penalties; and to repeal acts and parts of acts,” by amending sections 3, 373, 375, 403a, 404b, 411a, 412a, 413a, 414a, 415, 416, 417a, 418a, 422, 424, 431a, 432, 433, 434, 441, 442, 443, 445, 449, 451, 461, 462, 471a, 472, 483a, and 485 (MCL 380.3, 380.373, 380.375, 380.403a, 380.404b, 380.411a, 380.412a, 380.413a, 380.414a, 380.415, 380.416, 380.417a, 380.418a, 380.422, 380.424, 380.431a, 380.432, 380.433, 380.434, 380.441, 380.442, 380.443, 380.445, 380.449, 380.451, 380.461, 380.462, 380.471a, 380.472, 380.483a, and 380.485), sections 3 and 416 as amended by 1995 PA 289, section 373 as amended by 2000 PA 230, sections 375 and 449 as added and section 471a as amended by 1999 PA 10,

sections 403a, 418a, and 431a as amended and sections 404b and 485 as added by 1982 PA 71, sections 411a and 412a as amended by 1989 PA 268, sections 413a, 414a, and 483a as added by 1981 PA 96, section 417a as amended by 1985 PA 86, section 442 as amended by 2002 PA 58, section 443 as amended by 1983 PA 118, and section 445 as amended by 2002 PA 334, and by adding sections 403, 404, 410, 412, 416a, 420, and 421; and to repeal acts and parts of acts.

The People of the State of Michigan enact:

380.3 Definitions; A to C.

Sec. 3. (1) “Area” as used in the phrase “area vocational-technical education program” means the geographical territory, both within and without the boundaries of either a K to 12 school district or a community college district, that is designated by the state board as the service area for the operation of an area vocational-technical education program.

(2) “Area vocational-technical education program” means a program of organized, systematic instruction designed to prepare the following persons for useful employment in recognized occupations:

(a) Persons enrolled in high school.

(b) Persons who have completed or left high school and who are available for full-time study in preparation for entering the labor market.

(c) Persons who have entered the labor market and who need training or retraining to achieve stability or advancement in employment.

(3) “Board” or “school board” means the governing body of a local school district or a local act school district unless clearly otherwise stated. Except in part 5a or part 6, for a school district organized as a first class school district, if the question under section 410 is approved in the school district, then beginning on the next January 1 occurring at least 1 year after the question under section 410 is presented to the school electors in the school district, “board” or “school board” means the chief executive officer of the first class school district.

(4) “Boarding school” means a place accepting for board, care, and instruction 5 or more children under 16 years of age.

(5) “Constituent district” means a local school district or special act school district the territory of which is entirely within and is an integral part of an intermediate school district.

380.373 Elected school board; suspension of powers and duties; meeting as advisory board; compensation; reimbursement; powers and duties of mayor; financial audit; provisions applicable to school reform board; powers, rights, duties, and obligations of chief executive officer; termination of contracts; employment at will; school district improvement plan; annual report; community assistance teams; liability.

Sec. 373. (1) Beginning on March 26, 1999 or, if the qualifying school district becomes a qualifying school district after March 26, 1999, the date on which a school district becomes a qualifying school district, the powers and duties of the elected school board of the qualifying school district and of its secretary and treasurer are suspended until the applicable date specified in section 375. However, until the expiration of the current term of each individual member serving as of the date the school district becomes a qualifying school district, the members of the elected school board of a qualifying school district may continue

to meet as an advisory board to provide input to the school reform board on an advisory basis only. Notwithstanding section 417a or any board policy, bylaw, or resolution to the contrary, these advisory board members shall serve without compensation or reimbursement, and funds of the qualifying school district shall not be used to staff or otherwise support the advisory board in any way.

(2) Beginning on March 26, 1999 or, if the qualifying school district becomes a qualifying school district after March 26, 1999, the date on which a school district becomes a qualifying school district, and until appointment of a school reform board for a qualifying school district under this part, all provisions of this act that would otherwise apply to the school board of the qualifying school district or to the school reform board or chief executive officer apply to the mayor, and the mayor immediately may exercise all the powers and duties otherwise vested by law in the board of the qualifying school district and in its secretary and treasurer, and all powers and duties of the school reform board or chief executive officer as provided under this part. Within 30 days after appointing a school reform board under this part, the mayor shall initiate a financial audit of the qualifying school district. The mayor shall provide the results of this audit to the school reform board.

(3) Upon appointment of a school reform board for a qualifying school district under this part, and until appointment of a chief executive officer under section 374, all provisions of this act that would otherwise apply to the school board of the qualifying school district or to the chief executive officer apply to the school reform board, and the school reform board immediately may exercise all the powers and duties otherwise vested by law in the board of the qualifying school district and in its secretary and treasurer, and all powers and duties of the chief executive officer as provided under this part.

(4) Upon appointment of a chief executive officer for a qualifying school district under section 374, all provisions of this act that would otherwise apply to the elected school board of the qualifying school district apply to the chief executive officer; the chief executive officer immediately may exercise all the powers and duties otherwise vested by law in the elected school board of the qualifying school district and in its secretary and treasurer, and all additional powers and duties provided under this part; and the chief executive officer accedes to all the rights, duties, and obligations of the elected school board of the qualifying school district. These powers, rights, duties, and obligations include, but are not limited to, all of the following:

(a) Authority over the expenditure of all school district funds, including proceeds from bonded indebtedness and other funds dedicated to capital projects.

(b) Rights and obligations under collective bargaining agreements and employment contracts entered into by the elected school board, except for employment contracts of those employees described in subsection (6).

(c) Rights to prosecute and defend litigation.

(d) Obligations under any judgments entered against the elected school board.

(e) Rights and obligations under statute, rule, and common law.

(f) Authority to delegate any of the chief executive officer's powers and duties to 1 or more designees, with proper supervision by the school reform board.

(5) In addition to his or her other powers, the chief executive officer appointed under this part may terminate any contract entered into by the elected school board of the qualifying school district except for a collective bargaining agreement. However, this subsection does not allow any termination or diminishment of obligations to pay debt service on legally authorized bonds. A contract terminated by a chief executive officer under this subsection is void.

(6) Beginning on March 26, 1999 or, if the qualifying school district becomes a qualifying school district after March 26, 1999, the date on which a school district becomes a qualifying school district, and until appointment of a school reform board for a qualifying school district under this part, each employee of the qualifying school district whose position is not covered by a collective bargaining agreement is employed at the will of the mayor. Upon appointment of a school reform board for a qualifying school district under this part, and until appointment of a chief executive officer under section 374, each employee of the qualifying school district whose position is not covered by a collective bargaining agreement is employed at the will of the school reform board. Upon appointment of a chief executive officer for a qualifying school district under section 374, each employee of the qualifying school district whose position is not covered by a collective bargaining agreement is employed at the will of the chief executive officer.

(7) Not later than 90 days after the initial appointment of a chief executive officer under this part, and at least annually thereafter, the chief executive officer with the approval of the school reform board shall develop and submit to the school district accountability board created in section 376 a school district improvement plan that includes at least detailed academic, financial, capital, and operational goals and benchmarks for improvement and a description of strategies to be used to accomplish those goals and benchmarks. The plan also shall include an assessment of available resources and recommendations concerning additional resources or changes in statute or rule, if any, needed to meet those goals and benchmarks. The plan also shall include an evaluation of local school governance issues, including criteria for establishing building-level governance.

(8) A chief executive officer with the approval of the school reform board for the qualifying school district shall submit an annual report to the mayor, governor, school district accountability board created in section 376, and legislature and shall make the annual report available to the community in the qualifying school district. The annual report shall contain at least all of the following:

(a) A summary of the initiatives that have been implemented to improve school quality in the qualifying school district.

(b) Measurements that may be useful in determining improvements in school quality in the qualifying school district. These measurements shall indicate changes from baseline data from the school year before the appointment of the school reform board, and shall include at least all of the following:

(i) Standardized test scores of pupils.

(ii) Dropout rates.

(iii) Daily attendance figures.

(iv) Enrollment figures.

(v) High school completion and other pertinent completion rates.

(vi) Changes made in course offerings.

(vii) Proportion of school district resources devoted to direct educational services.

(c) A description of long-term performance goals that may include statewide averages or comparable measures of long-term improvement.

(9) A school reform board may organize and establish community assistance teams to work with the school reform board to implement a cohesive, full service community school program addressing the needs and concerns of the qualifying school district's population. The school reform board may delegate to a community assistance team the authority to devise and implement family, community, cultural, and recreational activities to assure that the academic mission of the schools is successful. The community assistance teams

may also develop parental involvement activities that focus on the encouragement of voluntary parenting education, enhancing parent and family involvement in education, and promoting adult and family literacy.

(10) The mayor, superintendent of public instruction, state board, school district accountability board created in section 376, this state, the city in which a qualifying school district is located, a school reform board established under this part, or a chief executive officer or other officer appointed under section 374 is not liable for any obligation of or claim against a qualifying school district resulting from an action taken under this part.

380.375 Expiration of 5 years after initial appointment of school reform board; procedures.

Sec. 375. After the expiration of 5 years after the initial appointment of a school reform board in a qualifying school district under this part, all of the following apply:

(a) The question under section 410 shall be presented to the school electors of the school district as provided in that section. Effective on the next January 1 occurring at least 1 year after that question is presented to the school electors under section 410, the school district shall be governed by the system of school board governance or combined chief executive officer and school board governance, as applicable, as in effect in the school district as a result of that ballot question.

(b) Effective on the next January 1 occurring at least 1 year after the question under section 410 is presented to the school electors, the powers of the school reform board established for the qualifying school district under this part, of the chief executive officer appointed under this part, and of all other officers appointed under this part cease. This subdivision does not prohibit the chief executive officer from serving as the interim chief executive officer under section 420, and does not prohibit the chief executive officer from retaining an officer or employee appointed or hired by the chief executive officer.

(c) Effective on the next January 1 occurring at least 1 year after the question under section 410 is presented to the school electors, the provisions of this part do not apply to that qualifying school district.

380.403 Approval of ballot question; applicability of section to first class school district; composition of board; meetings; election of officers; quorum.

Sec. 403. (1) This section applies to a first class school district only if the question under section 410 is approved in the first class school district.

(2) Effective on the next January 1 occurring at least 1 year after the question under section 410 is presented to the school electors of the first class school district, the first class school district shall have a board composed of 9 members elected, or appointed to fill a vacancy, as provided in section 412.

(3) The school board shall hold its first meeting on the first Monday after the January 1 described in subsection (2). At the first meeting of the school board, the school board may elect from among its members a president, vice president, secretary, and other officers as it considers necessary or appropriate. After the first election of school board officers, the school board shall elect its officers in January of each odd numbered year.

(4) A majority of the members of the school board constitute a quorum for the transaction of business at a meeting of the school board. A majority of the members elected and serving are required for official action of the school board.

380.403a Disapproval of ballot question; applicability of section to first class school district; election of board members.

Sec. 403a. (1) This section applies to a first class school district only if the question under section 410 is not approved in the first class school district.

(2) Effective on the next January 1 occurring at least 1 year after the question under section 410 is presented to the school electors of the first class school district, the first class school district shall have a board composed of 4 members elected as provided in section 411a, plus 7 members elected, or appointed to fill a vacancy, as provided in section 412a.

380.404 Approval of ballot question; applicability of section to first class school district; establishment of voting districts; redetermination of voting district boundary lines.

Sec. 404. (1) This section applies to a first class school district only if the question under section 410 is approved in the first class school district.

(2) The local elections official of the city with the greatest population located within the boundaries of the first class school district shall establish 9 voting districts within the school district boundaries in the manner provided in this section not later than 90 days after the date the question under section 410 is presented to the school electors of the first class school district. The local elections official may establish the voting districts before the date of the election under section 410. The local elections official shall submit the voting districts to the state board for approval, and the voting districts shall be established as voting districts upon approval by the state board. If the state board fails to act to approve or disapprove the voting districts under this subsection within 30 days after the date they are submitted by the local elections official, the voting districts are considered to be approved by the state board.

(3) After the initial establishment of voting districts under subsection (2), the local elections official of the city with the greatest population located within the boundaries of a first class school district shall redetermine the boundary lines of its voting districts after each federal decennial census, but in no event later than April 15 of the first year in which board members are to be elected following the official release of the federal decennial census figures. If the local elections official fails to redetermine the voting district boundary lines by that April 15, the state board shall convene within 10 days to make the redetermination. The redetermination of the state board shall be the voting district boundary lines until the redetermination is made following the next succeeding federal decennial census as provided in this section. The voting districts redetermined under this subsection shall be established as voting districts upon approval by the state board.

(4) Voting districts established under this section shall be compact, contiguous, and as equal as possible in population.

380.404b Voting districts; establishment; number; approval by state board; determination and redetermination of boundary lines; voting districts as compact, contiguous, and equal in population.

Sec. 404b. (1) This section applies to a first class school district only if the question under section 410 is not approved in the first class school district.

(2) Upon the effective date of this section with respect to an existing first class school district, or immediately following the date on which a school district becomes a first class school district, 7 voting districts shall be established within its boundaries in the manner provided in this section. The voting districts described shall be established as voting districts if and when approved by the state board.

(3) A board of a first class school district shall determine the boundary lines of its voting districts and shall redetermine the boundary lines after each federal decennial census, but in no event later than April 15 of the first year in which board members are to be elected following the official release of the federal decennial census figures. If the board of a first class school district fails to redetermine the voting district boundary lines

by that April 15, the state board shall convene within 10 days to make the redetermination. The redetermination of the state board shall be the voting district boundary lines until the redetermination is made following the next succeeding federal decennial census as provided in this section.

(4) For a first class school district that was a qualifying school district under part 5a at the time of a decennial census, if a redetermination was not made after that decennial census, the voting district boundary lines in effect immediately before that decennial census shall be used for the purposes of electing school board members under section 412a at the first election of school board members after the election under section 410. A redetermination based on that decennial census shall subsequently be made by the school board as provided in this section not later than 3 months after election of the school board.

(5) Voting districts shall be compact, contiguous, and as equal as possible in population.

380.410 Selection of ballot designation by local election official; content; approval.

Sec. 410. (1) At the next November general election occurring after the expiration of 5 years after the initial appointment of a school reform board under part 5a for a first class school district, the local elections official of the city with the greatest population located within the boundaries of the school district shall present the question under subsection (2) to the school electors of the first class school district. The local election official may select a ballot designation for the question.

(2) At the November general election described in subsection (1), the following question shall be presented to the school electors of the first class school district:

“Shall the _____ (name of school district) be reapportioned into 9 single-member election districts with district residency requirements, shall a new school board be elected according to these election districts to serve in the district, and shall the school district be governed by a chief executive officer nominated by the mayor of the city with the greatest population located within the boundaries of the school district and approved by this newly elected board? According to state law, a “yes” vote will result in the establishment of the 9 election districts, election of a school board, and appointment of a chief executive officer as described in this question, and a “no” vote will result in the school district being governed by the governance structure otherwise provided for a first class school district under part 6 of the revised school code, consisting of an 11-member school board for the school district with 4 members elected at large and 7 members elected from election districts and with the school district governed by the 11-member school board.

Yes _____

No _____”.

(3) If a majority of the school electors of the first class school district voting on the question vote yes on the question under this section, the question is approved.

380.411a Board; election of at large members; terms; nominations; signing and filing petition; filing affidavit; duties of clerk; election of officers; president; recalled member as candidate for same office; expiration of term; election of board members; vacancy; qualifications of candidate; moving residence.

Sec. 411a. (1) This section applies to a first class school district only if the question under section 410 is not approved in the first class school district.

(2) Four members of the board of a first class school district shall be elected at large. The following provisions apply to the terms, nomination, and election of the at large members of the board of a school district organized as a first class school district:

(a) Four members shall be elected for a term of 4 years at the general election to be held in the next November after the question under section 410 is presented to the school electors of the first class school district and every 4 years after that November.

(b) Each candidate shall be nominated at a primary held in conjunction with the preceding primary election conducted pursuant to section 534 of the Michigan election law, 1954 PA 116, MCL 168.534. The nominating petitions shall contain not less than 500 or more than 1,000 signatures of registered school electors of the city in which the first class school district is located; shall meet the requirements of section 544c of the Michigan election law, 1954 PA 116, MCL 168.544c; and shall be filed with the clerk of the city in which the first class school district is located on or before 4 p.m. of the twelfth Tuesday before the primary election. The city clerk may compare the signatures on the petitions with the signatures appearing on the registration records, or in some other proper manner determine whether the signatures appearing on the petition are genuine and comply with the requirements of this section. With the petitions, a candidate shall file an affidavit as provided in section 558 of the Michigan election law, 1954 PA 116, MCL 168.558. The clerk of the city shall notify the county clerk of the name and address of each candidate not later than 3 days after the last day for candidate withdrawal. However, if the third day is a Saturday, Sunday, or legal holiday, the notice may be made on the next day that is not a Saturday, Sunday, or legal holiday.

(c) Each member shall commence his or her term of office on January 1 following his or her election.

(3) The board of a first class school district shall elect its officers during the month of January of each odd numbered year. The president of the board shall be a member of the board, and the duties of the president shall be determined by the board.

(4) A board member of a first class school district who is recalled may be a candidate for the same office at the next election for an office at which the recalled member is otherwise eligible.

(5) The term of office of each board member serving in a school district that becomes a first class school district after April 15, 2004 expires on the next succeeding December 31 of an even numbered year, except that if the school district becomes a first class school district later than April 1 of an even numbered year, the term of office of each board member expires on December 31 of the next succeeding even numbered year after the year in which the district became a first class school district. For a district becoming a first class school district after April 15, 2004, 4 school board members shall be elected in the general election of the even numbered year in which the terms of office expire, and the 4 school board members elected shall commence 4-year terms on January 1 of the odd numbered year following the general election.

(6) If a vacancy occurs on the first class school district board from among the at large members, the vacancy shall be filled by majority vote of the remaining first class school district board members at a meeting called by the president of the board for that purpose. If a person is appointed to fill a vacancy for which the unexpired term is more than 1 year and 8 months, that person shall serve until January 1 following the next general election. At that first general election the vacancy shall be filled for the unexpired term. A vacancy shall not be filled later than 60 days before a primary election at which at large board members are to be nominated.

(7) A candidate for the office of board member at large or a person appointed to fill a vacancy on the board pursuant to subsection (6) shall be 18 years of age or older at the time of his or her election or appointment and shall be a registered school elector residing in the first class school district in which the person becomes a candidate or which the person is appointed to represent. If an at large member's residence is moved from the first class school district during the at large member's term of office, it constitutes a vacating of office.

380.412 Approval of ballot question; applicability of section; terms, nomination, and election of board members.

Sec. 412. (1) This section applies to a first class school district only if the question under section 410 is approved in the first class school district.

(2) Nine members of the board of a first class school district shall be elected by voting districts. Each member shall be elected to represent a voting district described in section 404. The following provisions apply to the terms, nomination, and election of the members elected from voting districts of the school board of a school district organized as a first class school district:

(a) Each of the 9 members initially elected under this section shall be elected by the registered school electors of a voting district at the next November general election after the question under section 410 is presented to the school electors of the first class school district.

(b) Not later than 7 days after the initial voting district boundary lines are established under section 404, the local elections official of the city with the greatest population located within the boundaries of the first class school district shall by random draw designate 5 voting districts in which the initial term will be 4 years and 4 voting districts in which the initial term will be 2 years. The city clerk may make this designation before the date of the election under section 410.

(c) The initial members elected from the 5 voting districts with initial terms of 4 years shall serve for 4-year terms expiring December 31. After the initial election, the members elected under this subdivision shall be elected for a term of 4 years at the November general election every 4 years after the initial election.

(d) The initial members elected from the 4 voting districts with initial terms of 2 years shall serve for 2-year terms expiring December 31. After the initial election, the members elected under this subdivision shall be elected for a term of 4 years at the November general election held 2 years after the initial election and at the November general election every 4 years thereafter.

(e) Each candidate shall be nominated by the registered school electors of each voting district at the preceding primary election held in the city with the greatest population in which the first class school district is located. The nominating petitions shall contain not fewer than 250 or more than 500 signatures of registered school electors of the voting district; shall meet the requirements of section 544c of the Michigan election law, 1954 PA 116, MCL 168.544c; and shall be filed with the local elections official of the city with the greatest population located within the boundaries of the first class school district on or before 4 p.m. of the twelfth Tuesday before the primary election. The local elections official may compare the signatures on the petitions with the signatures appearing on the registration records, or in some other proper manner determine whether the signatures appearing on the petition are genuine and comply with the requirements of this section. With the petitions, a candidate shall file an affidavit as provided in section 558 of the Michigan election law, 1954 PA 116, MCL 168.558. The local elections official of the city

shall notify the county clerk of the name and address of each candidate not later than 3 days after the last day for candidate withdrawal. However, if the third day is a Saturday, Sunday, or legal holiday, the notice may be made on the next day that is not a Saturday, Sunday, or legal holiday. A signature on a nominating petition is not valid unless the petitioner is a registered school elector of the voting district in which the candidate is running for election. Not more than 2 candidates shall be nominated at the primary election for each voting district.

(3) Candidates for election under this section after the initial election under subsection (2) shall be nominated at a primary held in conjunction with the preceding primary election conducted pursuant to section 534 of the Michigan election law, 1954 PA 116, MCL 168.534. Nominating petitions shall meet the requirements of section 544c of the Michigan election law, 1954 PA 116, MCL 168.544c, and shall be filed with the local elections official of the city with the greatest population located within the boundaries of the first class school district on or before 4 p.m. of the twelfth Tuesday preceding the primary election. The local elections official may compare the signatures on the petitions with the signatures appearing on the registration records, or in some other proper manner determine whether the signatures appearing on the petitions are genuine and comply with the requirements of this section. With the petitions, a candidate shall file an affidavit as provided in section 558 of the Michigan election law, 1954 PA 116, MCL 168.558. A signature on a nominating petition is not valid unless the petitioner is a registered school elector of the voting district in which the candidate is running for election. Not more than 2 candidates shall be nominated at the primary election for each voting district.

(4) Instead of filing nominating petitions, a candidate for election to the first class school board may pay a nonrefundable filing fee of \$100.00 to the local elections official of the city with the greatest population located within the boundaries of the first class school district. If this fee is paid by the due date for nominating petitions, the payment has the same effect under this section as the filing of nominating petitions.

(5) The 9 board members elected to represent the voting districts shall commence their terms of office on January 1 following their election.

(6) A candidate for the office of board member representing a voting district or a person appointed to fill a vacancy pursuant to subsection (7) shall be 18 years of age or older at the time of his or her election or appointment and shall be a registered school elector residing in the voting district in which the person becomes a candidate or which the person is appointed to represent. If a board member moves his or her residence from the voting district he or she represents during the member's term of office, this constitutes a vacating of office.

(7) If a vacancy occurs on the first class school district board from among the voting district members, the vacancy shall be filled from among registered school electors of the voting district by majority vote of the remaining first class school district board members. If a person is appointed to fill a vacancy in a voting district for which the unexpired term is more than 1 year and 8 months, that person shall serve until January 1 following the next general election. At that next general election the vacancy shall be filled by election by the school electors as provided under this section for the unexpired term. A vacancy shall not be filled later than 60 days before a primary election at which voting district board members are to be nominated.

(8) A member of a first class school district board shall not hold or be a candidate for any other elective office during the period of his or her service or for a period of 1 year after he or she ceases to be a member of the board.

380.412a Disapproval of ballot question; board; nomination and election of members; representation of voting district; nominating petition; signature; primary election; filing petition; comparing signatures; filing affidavit; terms; qualifications of candidates; moving residence; vacancy.

Sec. 412a. (1) This section applies to a first class school district only if the question under section 410 is not approved in the first class school district.

(2) In the next November general election after the question under section 410 is presented to the school electors of the first class school district, 7 members of the board of a first class school district shall be elected by voting districts for an initial term of 2 years. At the November general election held 2 years after that election and every 4 years thereafter, 7 members of the board shall be elected by voting districts for a term of 4 years. Each member shall represent a voting district described in section 404b.

(3) The members shall be nominated and elected by the registered school electors of each voting district in the manner provided by law for the nomination and election of the first class school board members elected at large, except that the number of signatures required on nominating petitions of a candidate for election as a representative of a voting district shall be not less than 250 or more than 500. A signature on a nominating petition is not valid unless the petitioner is a registered school elector of the voting district in which the candidate is running for election. Not more than 2 candidates shall be nominated at the primary election for each voting district.

(4) Candidates shall be nominated at a primary held in conjunction with the preceding primary election conducted pursuant to section 534 of the Michigan election law, 1954 PA 116, MCL 168.534. Nominating petitions shall meet the requirements of section 544c of the Michigan election law, 1954 PA 116, MCL 168.544c, and shall be filed with the clerk of the city in which the first class school district is located on or before 4 p.m. of the twelfth Tuesday preceding the primary election. The city clerk may compare the signatures on the petitions with the signatures appearing on the registration records, or in some other proper manner determine whether the signatures appearing on the petitions are genuine and comply with the requirements of this section. With the petitions, a candidate shall file an affidavit as provided in section 558 of the Michigan election law, 1954 PA 116, MCL 168.558.

(5) The 7 board members elected to represent the voting districts shall commence their terms of office on January 1 following the election.

(6) A candidate for the office of board member representing a voting district or a person appointed to fill a vacancy pursuant to subsection (7) shall be 18 years of age or older at the time of his or her election or appointment and shall be a registered school elector residing in the voting district in which the person becomes a candidate or which the person is appointed to represent. If a voting district member's residence is moved from the voting district during the voting district member's term of office, this constitutes a vacating of office.

(7) If a vacancy occurs on the first class school district board from among the voting district members, the vacancy shall be filled from among registered school electors of the voting district by majority vote of the remaining first class school district board members. If a person is appointed to fill a vacancy in a voting district for which the unexpired term is more than 1 year and 8 months, that person shall serve until January 1 following the next general election. At that next general election the vacancy shall be filled for the unexpired term. A vacancy shall not be filled later than 60 days before a primary election at which voting district board members are to be nominated.

380.413a Notice of election; service on member.

Sec. 413a. The city clerk of the city with the greatest population located within the boundaries of the first class school district, within the time specified for serving notices upon officials elected at a city election, shall serve notice of election upon each member of the first class school district board elected at the election.

380.414a Failure to take oath of office; filling vacancy.

Sec. 414a. If a person elected to the board of a first class school district under this part fails to take the oath of office within 10 days after service of notice of election, the vacancy shall be filled pursuant to section 411a(6), 412(7), or 412a(7), as applicable.

380.415 Expulsion or removal of board member; grounds; procedure.

Sec. 415. (1) The first class school district board, by a vote of 2/3 of the members serving, may expel or remove from office a member for corrupt or willful malfeasance or misfeasance in office, or for willful neglect of the duties of the member's office. The reason for the expulsion or removal shall be entered on the records of the board with the names and votes of the members voting on the question.

(2) A member shall not be expelled or removed unless the member is first furnished with a written copy of the charges and is allowed to be heard in his or her defense, with aid of counsel.

(3) For this purpose the board shall have power to issue subpoenas to compel the attendance of witnesses and the production of papers, and shall proceed within 10 days after service of a copy of the charge to hear and determine the merits of the case.

(4) The member's failure to appear may be good cause for removal from office.

380.416 Board; officers; quorum; vacancy in office of president; election and salary of secretary and treasurer; duties; bonds; custody and disposition of funds.

Sec. 416. (1) This section applies to a first class school district only if the question under section 410 is not approved in the first class school district.

(2) The officers of the first class school district board shall be a president, vice-president, secretary, and treasurer. The board, a majority of which shall constitute a quorum, shall elect its president and vice-president biennially from among the members of the board. In case of a vacancy in the office of president, the vice-president shall succeed to the office of president for the balance of the unexpired term. The secretary and treasurer shall be appointed by the board but shall not be members of the board and shall receive a salary fixed by the board.

(3) The president, vice-president, and secretary shall perform the duties prescribed by the bylaws and regulations of the board. The duties of the treasurer shall be determined by the school district general superintendent, as approved by the board.

(4) The officers of the board who in the discharge of the duties of their respective positions handle funds belonging to the first class school district shall be required to give bonds for the faithful performance of their duties in accordance with the bylaws and regulations of the board. The premium of the bonds shall be paid from the funds of the board.

(5) The school district treasurer shall have the custody of all money belonging to the school district and shall pay out money pursuant to section 433. The funds shall be deposited with depositories selected by the board, and the interest derived shall be paid into the general fund of the board.

(6) The board shall require from the school district treasurer a separate bond of not less than \$200,000.00 to protect the funds of the board.

380.416a Officers as president, vice-president, and secretary; duties; duties of chief financial officer.

Sec. 416a. (1) This section applies to a first class school district only if the question under section 410 is approved in the first class school district.

(2) The officers of the first class school district board shall be a president, vice-president, and secretary. In case of a vacancy in the office of president of a first class school district board, the vice-president shall succeed to the office of president for the balance of the unexpired term.

(3) The president, vice-president, and secretary shall perform the duties prescribed by the bylaws and regulations of the board.

(4) The chief financial officer or other officer of the first class school district designated by the chief executive officer shall have the custody of all money belonging to the school district and shall pay out money pursuant to this act. The funds shall be deposited with depositories selected by the chief executive officer or his or her designee, and the interest derived shall be paid into the general fund of the school district.

380.417a Board; interest of member in contract; compensation; per diem allowance; reimbursement; maximum payments.

Sec. 417a. (1) A member of the first class school district board shall not be directly or indirectly interested in a contract with the board. Except for the per diem allowance provided in subsection (2), a member of the first class school district board shall not receive compensation for services rendered to the board.

(2) Except as otherwise provided in this subsection and subsection (3), each first class school district board member shall be paid a per diem allowance of \$30.00 for each board meeting and subcommittee meeting attended and each authorized duty performed. To be reimbursed for an authorized duty, the duty shall be related directly to the member's responsibility as a board member and shall be authorized in advance by resolution of the board. Compensation shall be provided to a board member for an authorized duty only if that duty and the authority of the board member to perform that duty is specifically enumerated in the resolution authorizing compensation. The payments for meetings, subcommittee meetings, and authorized duties shall not exceed a total of 52 meetings, subcommittee meetings, and authorized duties per year, except that, if the question under section 410 is not approved in the first class school district, this limitation may be removed by majority vote of the board.

(3) If the question under section 410 is approved in the first class school district, the board of the first class school district may by majority vote of the board waive any per diem payment under this section.

380.418a Board; meetings; proceedings and official actions as public record; annual audit; report; publication; actions to be by ye and nay vote entered upon record.

Sec. 418a. (1) Regular meetings of the first class school district board shall be held at least once each month, at a time and place fixed by the bylaws. If the question under section 410 is not approved, not less than 7 of the regular meetings shall be held in different voting districts of the first class school district each year. If the question under section 410 is approved, not less than 9 of the regular meetings shall be held in different

voting districts of the first class school district each year. The bylaws may provide for the calling of special meetings.

(2) The proceedings and official actions of the first class school district board shall be a public record open to inspection pursuant to section 1202.

(3) The board of the first class school district shall have made a complete annual audit of its financial transactions. The board may employ a firm of certified public accountants to make the audit or, if the city with the greatest population located within the boundaries of the school district has an auditor whose duties are limited to postauditing of finances and investigation of operations, the board may arrange for the city's auditor to make the audit. The audit report shall be made to the board and the chief executive officer and shall be a public record. The board may direct the chief executive officer to publish the audit report by adding to it general school statistics or it may publish general school statistics separately.

(4) If the question under section 410 is not approved in the first class school district, every action of the first class school district board creating a liability or debt or originating the disposal or expenditure of property or money shall be by ye and nay vote entered upon its record.

380.420 Chief executive officer; appointment; powers; reports; duties of school board; "mayor" defined.

Sec. 420. (1) This section applies to a first class school district only if the question under section 410 is approved in the first class school district.

(2) The school board of a first class school district shall appoint a chief executive officer under this section. The initial chief executive officer shall be appointed not later than 30 days after the school board takes office under section 412, with the appointment of the initial chief executive officer to take effect at the beginning of the next school fiscal year. All of the following apply to appointment and employment of a chief executive officer under this section:

(a) The chief executive officer shall be employed by the school district according to an employment contract entered into with the school board. The term of the contract shall not exceed 4 years and may be renewed.

(b) The mayor shall submit to the school board the name of 1 nominee for the position of chief executive officer. The school board shall approve or disapprove of the nominee. Approval of the nominee shall be by majority vote of the school board. Upon approval by the school board, the nominee is appointed as chief executive officer. If the school board does not approve the nominee, the mayor shall submit to the school board the name of a new nominee.

(c) Appointment of a chief executive officer under this section is subject to section 421.

(d) A chief executive officer may be removed from office either by the mayor or by a majority vote of the members serving on the school board with the approval of the mayor. However, a chief executive officer may be removed only for good cause.

(3) Beginning on the next January 1 occurring at least 1 year after the question under section 410 is presented to the school electors of the first class school district, and until the appointment of an initial chief executive officer for a first class school district takes effect under this section, the person who was serving as chief executive officer of the school district under part 5a immediately before the school board takes office under section 412 shall act as the interim chief executive officer of the first class school district under this part. All provisions of this act that would otherwise apply to the chief executive

officer of the first class school district apply to the interim chief executive officer, and he or she may exercise all the powers and duties otherwise vested by law in the chief executive officer of the first class school district until a permanent chief executive officer is appointed for the school district under this section.

(4) Upon appointment of a chief executive officer for a first class school district under this section, except for the school board's powers under subsection (11), the chief executive officer immediately may exercise all the powers and duties vested by law in the chief executive officer or the school board under this act and all additional powers and duties provided under this part; and the chief executive officer accedes to all the rights, duties, and obligations of an elected school board of a first class school district. Subject to section 421, these powers, rights, duties, and obligations include, but are not limited to, all of the following:

(a) Authority over the expenditure of all school district funds, including proceeds from bonded indebtedness and other funds dedicated to capital projects. However, the chief executive officer shall submit an annual budget and annual procurement goals to the school board for approval as provided under subsection (11)(b).

(b) Rights and obligations under collective bargaining agreements and employment contracts entered into by the previous school board or by a previous chief executive officer.

(c) Rights to prosecute and defend litigation.

(d) Obligations under any judgments entered against the school district.

(e) Rights and obligations under statute, rule, and common law.

(f) Authority to delegate any of the chief executive officer's powers and duties to 1 or more designees.

(g) All other rights, duties, and obligations provided under this part for the chief executive officer or provided under this act or other state law for a school board except for those school board powers listed in subsection (11).

(5) In addition to his or her other powers, the chief executive officer appointed under this part may terminate any contract entered into by a previous school board or chief executive officer of the school district except for a collective bargaining agreement. However, this subsection does not allow any termination or diminishment of obligations to pay debt service on legally authorized bonds. A contract terminated by a chief executive officer under this subsection is void.

(6) Upon appointment of a chief executive officer for a first class school district under this section, each employee of the qualifying school district whose position is not covered by a collective bargaining agreement is employed at the will of the chief executive officer.

(7) The chief executive officer shall appoint for the first class school district a chief financial officer, chief academic officer, chief operations officer, and chief purchasing officer. Appointment of a chief financial officer under this section is subject to section 421. These officers are employed at the will of the chief executive officer.

(8) Not later than 90 days after the initial appointment of a chief executive officer under this section, and at least annually thereafter, the chief executive officer shall develop and submit to the mayor, school board, and department a school district improvement plan that includes at least detailed academic, financial, capital, and operational goals and benchmarks for improvement and a description of strategies to be used to accomplish those goals and benchmarks. The plan also shall include an assessment of available resources and recommendations concerning additional resources or changes in statute or rule, if any, needed to meet those goals and benchmarks. The plan also shall include an evaluation of local school governance issues, including criteria for establishing building-level governance.

(9) The chief executive officer shall submit an annual report to the mayor, school board, governor, and legislature and shall make the annual report available to the community in the first class school district. The annual report shall contain at least all of the following:

(a) A summary of the initiatives that have been implemented to improve school quality in the first class school district.

(b) Measurements that may be useful in determining improvements in school quality in the first class school district. These measurements shall indicate changes from baseline data from the school year before the appointment of the chief executive officer, and shall include at least all of the following:

(i) Standardized test scores of pupils.

(ii) Dropout rates.

(iii) Daily attendance figures.

(iv) Enrollment figures.

(v) High school completion and other pertinent completion rates.

(vi) Changes made in course offerings.

(vii) Proportion of school district resources devoted to direct educational services.

(c) A description of long-term performance goals that may include statewide averages or comparable measures of long-term improvement.

(10) The chief executive officer shall submit a monthly report, which shall be a public record, to the school board of the first class school district and shall make the monthly report available to the community in the first class school district. The monthly report shall contain at least all of the following:

(a) A summary of the initiatives that have been implemented to improve school quality in the first class school district.

(b) Daily attendance figures.

(c) A description of steps taken to implement the chief executive officer's school district improvement plan.

(d) A description of the progress made toward achieving the goals and benchmarks set forth in the chief executive officer's school district improvement plan.

(e) A description of progress made toward achieving the long-term performance goals set forth in the annual report under subsection (9).

(f) A copy of any and all completed financial audits authorized by the school district.

(11) The school board of a first class school district shall do all of the following:

(a) Monitor pupil performance.

(b) During June of each year, receive, review, and approve the annual budget and procurement goals submitted by the chief executive officer, including approval of the annual appropriation total for the school district's general operating fund and the general fund expenditure budget total for each of the following functions, as the functions are defined by the department in Bulletin 1022:

(i) Instructions.

(ii) Pupil support services.

(iii) Instructional staff support services.

(iv) School administration.

- (v) Business support services.
- (vi) Operations and maintenance.
- (vii) Pupil transportation services.
- (viii) Central support services.
- (ix) Community services.

(c) Review all contracts totaling over \$250,000.00 that are entered into by the chief executive officer.

(d) Not later than August 31 of each year, provide to the mayor an annual evaluation of the performance of the chief executive officer and make this annual performance evaluation available to the public. To assist in this function, the school board may contract with an independent auditor to conduct a performance and financial audit of the activities of the chief executive officer. If the school board contracts for such an audit, the school board shall review the audit results before preparing the annual performance evaluation.

(e) Form committees as the board considers necessary or desirable to fulfill its functions.

(f) Organize and establish community assistance teams to work with the school board to implement a cohesive, full service community school program addressing the needs and concerns of the school district's population. The school board may delegate to a community assistance team the authority to devise and implement family, community, cultural, and recreational activities to promote the academic mission of the schools. The community assistance teams may also develop parental involvement activities that focus on the encouragement of voluntary parenting education, enhancing parent and family involvement in education, and promoting adult and family literacy.

(12) As used in this section and section 421, "mayor" means the mayor of the city with the greatest population as of the most recent decennial census located within the boundaries of a first class school district.

380.421 Contracts; substantial conflict of interest.

Sec. 421. (1) This section applies to a first class school district only if the question under section 410 is approved in the first class school district.

(2) The mayor shall not nominate a person as chief executive officer under section 420 and the chief executive officer shall not appoint a person as chief financial officer if the person at the time of appointment has a pecuniary interest in a contract to which the first class school district is a party, or in a subcontract under such a contract, other than an employment contract.

(3) The chief executive officer shall ensure that the first class school district does not award a contract, and that a subcontract is not awarded under a contract with the first class school district, to the mayor, the chief executive officer, the chief financial officer, or a first class school board member, or to the mayor's, chief executive officer's, chief financial officer's, or board member's spouse or spouse's sibling or child, sibling or sibling's spouse or child, child or child's spouse, or parent or parent's sibling or spouse.

(4) The mayor, chief executive officer, chief financial officer, or a first class school board member shall not have a direct or indirect pecuniary interest in any contract with the first class school district that causes a substantial conflict of interest. As used in this subsection, "substantial conflict of interest" means that the pecuniary interest is of such substance as to induce action on the person's part to promote the contract for his or her

own personal benefit. A contract between the first class school district and any of the following is not considered a substantial conflict of interest:

(a) A corporation in which the person is a stockholder owning 1% or less of the total stock outstanding in any class if the stock is not listed on a stock exchange or the stock has a present market value of \$25,000.00 or less if the stock is listed on a stock exchange.

(b) A corporation in which a trust, in which the person is a beneficiary under the trust, owns 1% or less of the total stock outstanding in any class if the stock is not listed on a stock exchange or the stock has a present market value of \$25,000.00 or less if the stock is listed on a stock exchange.

(c) A professional limited liability company organized pursuant to the Michigan limited liability company act, 1993 PA 23, MCL 450.4101 to 450.5200, if the person is an employee but not a member of the company.

380.422 Annexation of entire school district to city; bonded indebtedness; powers and duties of chief executive officer.

Sec. 422. If territory comprising an entire school district is annexed to the city and becomes a part of the first class school district, part 10 shall govern where applicable with respect to the bonded indebtedness of either district existing at the time of annexation. The first class school district board may use any funds legally available to retire the bonded indebtedness of the annexed district. If the question under section 410 is approved in the first class school district, then the chief executive officer appointed under section 420 has the powers and shall perform the duties of the board of the first class school district under this section.

380.424 Annexation of property belonging to another school district; determination of amount to be paid; board of arbitration; hearing; notice; regulations; final order; taxes; powers and duties of chief executive officer.

Sec. 424. (1) When school property belonging to another school district is taken by annexation by a first class school district, a determination shall be made of the equitable amount that shall be paid by the first class school district. That determination shall be made by the boards of the 2 districts affected. If the board of the first class school district and the board of the school district from which the property is taken are unable to agree, the matter shall be submitted to a board of arbitration consisting of 1 member appointed by each board and a third member to be selected by the 2 appointed members. The arbitrators by order shall fix a day for hearing and give notice of the hearing as provided in the order. They shall make regulations for the proceedings and shall make a final order determining the amount to be paid by the first class school district to the school district whose property was taken by the annexation and file the order with the county clerk. The order of the arbitrators shall be final. Taxes shall be levied and collected in the manner provided in the order.

(2) If the question under section 410 is approved in the first class school district, then the chief executive officer appointed under section 420 has the powers and shall perform the duties of the board of the first class school district under this section.

380.431a Powers of board as to real and personal property; proceeds from sale of real property; bylaws and regulations; eminent domain proceedings.

Sec. 431a. (1) The board of the first class school district may take, use, hold, lease, sell, and convey real and personal property, including property received by gift, devise, or

bequest, for the use of the public school within and without its corporate limits. Proceeds from the sale of real property shall be credited to accounts of the school district as provided in section 1262. The first class school district board has the power to purchase, lease, and take by the right of eminent domain all property; erect and maintain or lease all buildings; employ and pay all persons; and do all other things in its judgment necessary for the proper establishment and management of the public schools. If the question under section 410 is approved in the first class school district, then the chief executive officer appointed under section 420 has the powers and shall perform the duties of the board of the first class school district under this subsection.

(2) The first class school district board may adopt and revise as appropriate bylaws and regulations for conducting the business of the board and, if the question under section 410 is not approved in the first class school district, for the control and government of all schools, school property, and pupils in the first class school district.

(3) If property is sought to be taken by eminent domain, proceedings may be brought under 1911 PA 149, MCL 213.21 to 213.25, or the uniform condemnation procedures act, 1980 PA 87, MCL 213.51 to 213.75.

380.432 Annual tax estimates; specification of amounts required for certain funds; retirement of bonds; budget; apportionment of school taxes; assessment, levy, collection, and return of taxes; statement on tax bill; powers and duties of chief executive officer.

Sec. 432. (1) The first class school district board annually shall prepare estimates of the amount of taxes necessary for its needs for the ensuing fiscal year. The estimates shall specify the amount required for the “general fund”, the amount required for the “building and site fund”, and the amount required for the “debt retirement fund”. If the board causes the appropriation for the “building and site fund” to be raised by the issuance of bonds instead of raising the appropriation by taxation, provision shall be made for the retirement of the bonds in a debt retirement fund.

(2) The board shall adopt a budget in the same manner and form as required for its estimates and determine the amount of tax levy necessary for that budget and shall certify on or before the date required by law the amount to the city.

(3) The proper officials of the city shall apportion the school taxes in the same manner as the other taxes of the city are apportioned, and the amount apportioned shall be assessed, levied, collected, and returned for the school district in the same manner as taxes of the city. The tax levied by the school district, in the discretion of the legislative body of the city, may be stated separately on each tax bill.

(4) If the question under section 410 is approved in the first class school district, then the chief executive officer appointed under section 420 has the powers and shall perform the duties of the board of the first class school district under this section.

380.433 Payment of payrolls, bills, accounts, or claims; warrant; certificate; powers and duties of chief executive officer.

Sec. 433. (1) The secretary of the first class school district board shall issue and sign a warrant upon the treasurer for payrolls, bills, and accounts that become due and payable under a contract or because of a previous authorization or action of the board after the payrolls, bills, and accounts are registered and charged to the appropriations from which they are payable. The treasurer, upon receipt of the warrant, shall issue a check in payment thereof.

(2) Other claims and demands against the first class school district shall be made under the regulations of the board. The board, before paying a bill, account, or claim, may require that it be accompanied by a certificate of the person rendering it that the services or the property charged have been actually performed or delivered for the school district, that the sums charged are reasonable and just, and that to the best of that person's knowledge and belief no setoff exists nor payment has been made on account except as included or referred to in the account presented. A similar certificate shall be required on all payrolls, the certificate to be made by the person who supervises the services charged.

(3) If the question under section 410 is approved in the first class school district, then the chief executive officer appointed under section 420 or his or her designee has the powers and shall perform the duties of the board of the first class school district or board officers under this section.

380.434 Contracts for purchase of real estate or erection, remodeling, or repairing of building; endorsement; certificates; borrowing; duties and powers of chief executive officer.

Sec. 434. (1) Before a contract entered into by the first class school district for the purchase of real estate or the erection, remodeling, or repairing of a building is binding on the school district, the secretary shall endorse on the contract that the money proposed to be expended under the contract is actually in the treasury or that the money has been appropriated. A contract submitted shall not be certified by the secretary until all contracts for the completed work covered by the appropriation are submitted, and a warrant shall not be drawn on the account of a contract not containing the certificate.

(2) The board may authorize a contract before the money is available if an appropriation or an authorization of bonds or notes is made for the contract and may borrow on the best terms obtainable on the credit of that appropriation or authorization of bonds or notes sums necessary to make a payment under the contract.

(3) If the question under section 410 is approved in the first class school district, then the chief executive officer appointed under section 420 or his or her designee has the powers and shall perform the duties of the board of the first class school district or board officers under this section.

380.441 Borrowing to pay awards in condemnation proceedings.

Sec. 441. The board of the first class school district, with the consent of the legislative body of the city, may authorize the financial officers of the school district to borrow for not more than 1 year, on the best terms obtainable, sums necessary to pay awards in condemnation proceedings. If the question under section 410 is approved in the first class school district, then the chief executive officer appointed under section 420 has the powers and shall perform the duties of the board of the first class school district under this section.

380.442 Borrowing powers of board of first class school district; limitations on loans and bonds; powers and duties of chief executive officer.

Sec. 442. (1) The board of the first class school district may do any of the following:

(a) Borrow, subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821, for temporary school purposes sums of money and give notes of the district for temporary school purposes.

(b) Borrow, subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821, sums of money for the purpose of purchasing sites for buildings, playgrounds, or

athletic fields and purchasing or erecting and equipping a building or making a permanent improvement that the school district is authorized to make. The board may accomplish this by the issuance and sale of bonds of the school district on terms the board considers advisable, or by other reasonable means. The board shall designate officers to execute the bonds on behalf of the school district. The designated officers may include the chief financial officer.

(2) A loan shall not be made, except as otherwise provided in this subsection, for a sum that, together with the total outstanding bonded indebtedness of the school district, exceeds 5% of the state equalized valuation of the taxable property within the school district, unless the proposition of making the loans or of issuing bonds is submitted to a vote of the school electors of the school district at a general or special school election and approved by the majority of the school electors voting on the question. Regardless of the amount of outstanding bonded indebtedness of the school district, a vote of the school electors is not necessary in order to issue bonds for a purpose described in section 1274a. Loans may be made or bonds may be issued for the purposes stated in this section in an amount equal to that provided by part 17.

(3) If the question under section 410 is approved in the first class school district, then the chief executive officer appointed under section 420 has the powers and shall perform the duties of the board of the first class school district under this section.

380.443 Expenditure of bond proceeds for remodeling of existing school buildings; “remodeling” defined.

Sec. 443. (1) Proceeds from the sale of first class school district bonds may be expended for the remodeling of existing buildings of the school district if the board determines the remodeling will contribute positively to the health, security, or welfare of the pupils of the school district and if the uses are approved by the superintendent of public instruction. If the question under section 410 is approved in the first class school district, then the chief executive officer appointed under section 420 has the powers and shall perform the duties of the board of the first class school district under this subsection.

(2) As used in this section, “remodeling” means the alteration or construction of structural components of a building including walls, roofs, partitions, hallways, stairways, or means of egress, or the replacement, relocation, or reconstruction of heating, ventilating, incineration, electrical, security, or sanitary systems.

380.445 Bonds for sites, buildings, and improvements; resolution; approval of school electors; form of bonds; filing notice and draft; laws governing election; electors qualified to vote; bonds subject to revised municipal finance act; powers and duties of chief executive officer.

Sec. 445. (1) The board of the first class school district by resolution may submit the proposition of issuing bonds for the purpose of purchasing sites for buildings, playgrounds, or athletic fields and purchasing or erecting and equipping a building or making permanent improvements that the school district is authorized to make to the school electors of the school district at a city or state election, or at a special election called for that purpose.

(2) If a majority of the school electors voting on the question approve the issuance of bonds, the board may issue the bonds of the district.

(3) The board shall determine the form of the bonds, the manner in which they shall be executed by the president and secretary of the district, the sums payable and the times of payment, and other terms and conditions the board considers necessary.

(4) If the board determines to issue bonds under this section, sections 432 and 444 shall not apply to the issuance of the bonds and the bonds may be issued in an amount equal to that provided by part 17.

(5) The secretary of the board shall file with the city clerk a written notice of the resolution to submit the bonding proposition to the school electors with a draft of the form of the bonding proposition to be submitted. The notice shall be under the seal of the board and filed with the city clerk at least 60 days before the date fixed by the board for the election.

(6) The laws of this state pertaining to elections in a city shall govern the practicable submission of the proposition to the school electors. Electors qualified to vote on the bonding proposition shall be registered school electors of the city in which the first class school district is located and otherwise qualified to vote on bonding propositions under the constitution and laws of this state.

(7) Bonds issued under this act are subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

(8) If the question under section 410 is approved in the first class school district, then the chief executive officer appointed under section 420 has the powers and shall perform the duties of the board of the first class school district or board officers under this section.

380.449 First class school district; powers and duties of school board and officers.

Sec. 449. All powers and duties of the school board of the first class school district and of its officers are subject to part 5a until January 1 following the expiration of 5 years after the initial appointment of a school reform board in the school district under part 5a.

380.451 Excise tax on income.

Sec. 451. (1) The board of a first class school district having boundaries coterminous with those of a city that imposes a city income tax by ordinance adopted pursuant to the city income tax act, 1964 PA 284, MCL 141.501 to 141.787, by resolution adopted by a majority of its members elected and serving, may adopt, levy, assess, and collect an excise tax, upon income received, earned, or otherwise acquired by corporations and resident individuals. An excise tax adopted shall not exceed 50% of the liability of the corporation or resident individual for a 2% income tax imposed by the city with coterminous boundaries.

(2) The excise tax shall continue in effect until rescinded by a subsequent resolution. A tax imposed pursuant to this section may not be rescinded or the rate of the tax reduced if there are outstanding obligations for which the tax is pledged.

(3) The resolution shall provide that taxpayers subject to the tax imposed by the resolution may elect to compute their tax for a calendar year, or fiscal year, during which the tax is made effective or rescinded, by any of the following methods:

(a) The tax may be computed as if the tax were effective on the first day of the calendar year, or the taxpayer's fiscal year, and the amount computed multiplied by a fraction, the numerator of which is the number of months the tax was in effect during the taxpayer's calendar or fiscal year, and the denominator of which is the number of months in the taxpayer's calendar or fiscal year. A portion of a month which is 15 days or more shall be considered a month and a period of less than 15 days shall be disregarded.

(b) The tax may be computed by determining the amount of the city tax giving rise to the school district tax which is allocable to the period the district tax is in effect in accordance with any accounting method satisfactory to the administrator.

(4) A school district adopting a tax pursuant to this section shall certify within 5 days to the city clerk of the city with coterminous boundaries the adoption of the resolution and tax. The effective date of a tax imposed by a school district pursuant to this section shall be the first day of the month that is 20 days or more following the adoption of the resolution, unless the resolution provides otherwise. The tax shall not be declared to be retroactively effective before the first day of the calendar year in which the resolution was adopted. The enforcement, collection, and refund authority of the city with coterminous boundaries shall continue in effect after the effective date of expiration with respect to liabilities incurred during the period the tax imposed by the school district pursuant to this section was in effect.

(5) A school district tax imposed by resolution passed pursuant to this section shall be administered by the administrator designated by the city having boundaries coterminous with the school district to administer the city tax, and the treasurer of that city shall collect and account for the revenue. After deducting the amount of refunds, the city treasurer shall pay over the balance to the school district as soon as practicable. As often as practicable, but not less often than monthly, the city treasurer shall pay over and distribute to the school district the amount of taxes it is estimated to be entitled to that are received in the form of withholding remittances and estimated taxes paid.

(6) A resolution imposing a school district tax pursuant to this section shall provide for withholding and remitting by employers doing business or maintaining a place of business within the school district, for declaration and payment of estimated taxes, for the promulgation by the administrator of appropriate regulations, for the appeal from the administrator's decisions, for judicial review, for interest and penalties, for jeopardy assessments, for a statute of limitations, for consolidated and joint returns, for refunds, and for other provisions necessary to administer, enforce, and collect the school district tax in substantially the same manner as the tax imposed by the city with coterminous boundaries. The administrator shall prepare and make available the withholding tables and tax return and other forms necessary to administer the district tax.

(7) If the question under section 410 is approved in the first class school district, then the chief executive officer appointed under section 420 has the powers and shall perform the duties of the board of the first class school district under this section, and may issue an order for any action that may otherwise be taken by resolution of the board under this section.

(8) For purposes of this section, the terms "administrator", "business", "corporation", "doing business", "fiscal year", "person", and "resident individual" have the same meaning as in the city income tax act, 1964 PA 284, MCL 141.501 to 141.787, and the term "taxpayer" means a person required by the school district's resolution to file a return with respect to, or to pay, the tax.

380.461 Submission of measure to school electors; filing notice and draft; laws governing election; powers and duties of chief executive officer.

Sec. 461. (1) Upon the adoption, by majority vote of the board members serving, of a measure not coming under its general power or authority, the board of the first class school district shall submit the measure to the school electors of the school district at the next state or city election or a special election called for that purpose. This section does not authorize the issuance of bonds. The secretary of the board shall file with the city clerk a written notice of the adoption of the measure together with a written draft of the measure to be submitted to the school electors. The notice shall be under the seal of the board and filed with the city clerk not less than 60 days before the election.

(2) The laws of this state pertaining to elections in the city govern the practicable submission of the measure to the school electors.

(3) If the question under section 410 is approved in the first class school district, then the chief executive officer appointed under section 420 has the powers and shall perform the duties of the board of the first class school district or board officers under this section.

380.462 Special election; request; statement of questions; powers and duties of chief executive officer.

Sec. 462. Special elections may be called by the board of the first class school district. The board shall call an election on receipt of the written request of not less than 10% of the registered school electors of the district qualified to vote on the question by giving the prescribed notice. The questions to be submitted at the election shall be stated briefly in the notice. If the question under section 410 is approved in the first class school district, then the chief executive officer appointed under section 420 has the powers and shall perform the duties of the board of the first class school district under this section.

380.471a Appointment and term of superintendent; employment, terms, and duties of other administrators; administrative and personnel services; contract required; notification of nonrenewal of contract; statement of reasons; meeting; renewal in contract; powers of board over employees; applicability of section to part 5a.

Sec. 471a. (1) This section applies to a first class school district only if the question under section 410 is not approved in the first class school district.

(2) The first class school district board may appoint a superintendent of schools for a term not exceeding 6 years pursuant to the first class school district board's bylaws. The board may employ assistant superintendents, principals, assistant principals, guidance directors, and other administrators who do not assume tenure in position for a term, not to exceed 3 years, fixed by the board and shall define their duties. Administrative and personnel services shall be provided on a centralized basis throughout the first class school district and shall not be established on a voting district basis. The employment shall be under written contract. Notification of nonrenewal of contract shall be given in writing not less than 90 days before the termination date of the contract of a superintendent of schools, and at least 60 days before the termination date of the contract of other administrators described in this subsection. If notification of nonrenewal is not given as required in this subsection, the contract is renewed for an additional 1-year period.

(3) A notification of nonrenewal of a contract of a person described in this section may be given only for a reason that is not arbitrary or capricious. The board shall not issue a notice of nonrenewal under this section unless the affected person has been provided with not less than 30 days' advance notice that the board is considering the nonrenewal together with a written statement of the reasons the board is considering the nonrenewal. After the issuance of the written statement, but before the nonrenewal statement is issued, the affected person shall be given the opportunity to meet with not less than a majority of the board to discuss the reasons stated in the written statement. The meeting shall be open to the public or a closed session as the affected person elects under section 8 of the open meetings act, 1976 PA 267, MCL 15.268. The failure to provide for a meeting with the board or the finding of a court that the reason for nonrenewal is arbitrary or capricious shall result in the renewal of the affected person's contract for an additional 1-year period. This subsection does not apply to the nonrenewal of the contract of a superintendent of schools.

(4) Except for certification requirements determined by the state board, the first class school district board shall have full power over employees and may specify the duties to be performed by them and fix the qualifications necessary for a position. The qualifications shall not conflict with the rules, regulations, or licensing laws of the state, county, or municipality governing qualifications of engineers or members of other trades.

(5) This section is subject to part 5a.

380.472 School for confinement, discipline, instruction, and maintenance of children.

Sec. 472. A first class school district may establish, maintain, and conduct a school for the purpose of affording a place of confinement, discipline, instruction, and maintenance of children of the city of compulsory school age who may be committed to the school by a court of competent jurisdiction, or admitted on the recommendation of the judge with the consent of their parents or guardian. A child who has been convicted of an offense punishable by confinement in a penal institution shall not be committed or admitted to the school.

380.483a Functions of board; transfer of powers and duties.

Sec. 483a. (1) This section applies to a first class school district only if the question under section 410 is not approved in the first class school district.

(2) The first class school district board shall perform the following functions:

(a) Central purchasing.

(b) Payroll.

(c) Employment, discharge, assignment, and promotion of teachers and other employees of the district.

(d) Contract negotiations for all employees, subject to 1947 PA 336, MCL 423.201 to 423.217, and subject to bargaining certification and the collective bargaining agreement pertaining to affected employees.

(e) Property management and maintenance and the use of educational facilities.

(f) Bonding.

(g) Special education programs.

(h) Allocation of funds for capital outlay and operations.

(i) Determination of the curriculum and the establishment of educational and testing programs.

(j) Adoption of a budget.

(3) All powers and duties formerly vested in the regional boards are transferred to the first class school district board.

380.485 Providing for and encouraging free flow of information between board and community and community input into educational matters; implementation; powers and duties of chief executive officer.

Sec. 485. (1) At least every 2 years, the board of the first class school district shall adopt policies and establish programs that provide for and encourage the free flow of information between the school district and the community and that provide for and encourage community input into educational matters considered by the board.

(2) In order to implement subsection (1), the board of a first class school district shall do both of the following:

(a) Provide for an autonomous school-community organization in each school within the school district. The school-community organization shall be open to all parents and other residents of the school attendance area.

(b) Establish procedures for handling complaints, concerns, and recommendations received from parents and other members of the community.

(3) If the question under section 410 is approved in the first class school district, then the chief executive officer appointed under section 420 has the powers and shall perform the duties of the board of the first class school district under this section.

Repeal of MCL 380.405.

Enacting section 1. Section 405 of the revised school code, 1976 PA 451, MCL 380.405, is repealed.

This act is ordered to take immediate effect.

Approved August 6, 2004.

Filed with Secretary of State August 10, 2004.

[No. 304]

(SB 1260)

AN ACT to amend 1927 PA 175, entitled “An act to revise, consolidate, and codify the laws relating to criminal procedure and to define the jurisdiction, powers, and duties of courts, judges, and other officers of the court under the provisions of this act; to provide laws relative to the rights of persons accused of criminal offenses and ordinance violations; to provide for the arrest of persons charged with or suspected of criminal offenses and ordinance violations; to provide for bail of persons arrested for or accused of criminal offenses and ordinance violations; to provide for the examination of persons accused of criminal offenses; to regulate the procedure relative to grand juries, indictments, informations, and proceedings before trial; to provide for trials of persons complained of or indicted for criminal offenses and ordinance violations and to provide for the procedure in those trials; to provide for judgments and sentences of persons convicted of criminal offenses and ordinance violations; to establish a sentencing commission and to prescribe its powers and duties; to provide for procedure relating to new trials and appeals in criminal and ordinance violation cases; to provide a uniform system of probation throughout this state and the appointment of probation officers; to prescribe the powers, duties, and compensation of probation officers; to provide penalties for the violation of the duties of probation officers; to provide for procedure governing proceedings to prevent crime and proceedings for the discovery of crime; to provide for fees of officers, witnesses, and others in criminal and ordinance violation cases; to set forth miscellaneous provisions as to criminal procedure in certain cases; to provide penalties for the violation of certain provisions of this act; and to repeal all acts and parts of acts inconsistent with or contravening any of the provisions of this act,” by amending section 14g of chapter XVII (MCL 777.14g), as added by 2002 PA 29.

The People of the State of Michigan enact:

CHAPTER XVII

777.14g Applicability of chapter to certain felonies; MCL 438.41 to 444.107.

Sec. 14g. This chapter applies to the following felonies enumerated in chapters 437 to 444 of the Michigan Compiled Laws:

| M.C.L. | Category | Class | Description | Stat Max |
|---------------|-----------------|--------------|--|-----------------|
| 438.41 | Property | E | Criminal usury | 5 |
| 440.9320(8) | Property | G | Farming — illegal sale of secured products | 3 |
| 440.9501 | Pub trst | E | Filing a false or fraudulent financing statement with the secretary of state | 5 |
| 442.219 | Pub trst | E | Sales — false statement | 5 |
| 443.50 | Pub trst | E | Issuing warehouse receipt for goods not received | 5 |
| 443.52 | Pub trst | E | Issuing duplicate warehouse receipt not so marked | 5 |
| 444.13 | Pub trst | H | Warehousemen and warehouse receipts | 2 |
| 444.107 | Pub trst | E | Warehouse certificates — willfully alter or destroy | 5 |

Effective date.

Enacting section 1. This amendatory act takes effect January 1, 2005.

Conditional effective date.

Enacting section 2. This amendatory act does not take effect unless House Bill No. 5148 of the 92nd Legislature is enacted into law.

This act is ordered to take immediate effect.

Approved August 11, 2004.

Filed with Secretary of State August 11, 2004.

Compiler's note: House Bill No. 5148, referred to in enacting section 2, was filed with the Secretary of State July 14, 2004, and became P.A. 2004, No. 212, Eff. Jan. 1, 2005.

[No. 305]

(HB 5198)

AN ACT to amend 1976 PA 267, entitled “An act to require certain meetings of certain public bodies to be open to the public; to require notice and the keeping of minutes of meetings; to provide for enforcement; to provide for invalidation of governmental decisions under certain circumstances; to provide penalties; and to repeal certain acts and parts of acts,” by amending section 9 (MCL 15.269), as amended by 1982 PA 130.

The People of the State of Michigan enact:

15.269 Minutes.

Sec. 9. (1) Each public body shall keep minutes of each meeting showing the date, time, place, members present, members absent, any decisions made at a meeting open to the public, and the purpose or purposes for which a closed session is held. The minutes shall include all roll call votes taken at the meeting. The public body shall make any corrections in the minutes at the next meeting after the meeting to which the minutes refer. The public body shall make corrected minutes available at or before the next subsequent meeting after correction. The corrected minutes shall show both the original entry and the correction.

(2) Minutes are public records open to public inspection, and a public body shall make the minutes available at the address designated on posted public notices pursuant to section 4. The public body shall make copies of the minutes available to the public at the reasonable estimated cost for printing and copying.

(3) A public body shall make proposed minutes available for public inspection within 8 business days after the meeting to which the minutes refer. The public body shall make approved minutes available for public inspection within 5 business days after the meeting at which the minutes are approved by the public body.

(4) A public body shall not include in or with its minutes any personally identifiable information that, if released, would prevent the public body from complying with section 444 of subpart 4 of part C of the general education provisions act, 20 USC 1232g, commonly referred to as the family educational rights and privacy act of 1974.

This act is ordered to take immediate effect.

Approved August 11, 2004.

Filed with Secretary of State August 11, 2004.

[No. 306]

(HB 4612)

AN ACT to amend the Initiated Law of 1996, entitled “An act to provide for the licensing, regulation, and control of casino gaming operations, manufacturers and distributors of gaming devices and gaming related equipment and supplies, and persons who participate in gaming; to provide the distribution of revenue for public education, public safety and economic development; authorizing limited casino operations within the state of Michigan; to vest authority for the licensing, regulation, and control of casino gaming in the Michigan gaming control board; to restrict certain political contributions; to establish a code of ethics for certain persons involved in gaming; to create certain funds; to impose and authorize certain taxes and fees; to impose penalties; to authorize conservators under certain circumstances; and to make an appropriation,” by amending section 12 (MCL 432.212), as amended by 1997 PA 69.

The People of the State of Michigan enact:

432.212 Wagering tax; rate; creation of state casino gaming fund; administration; allocations; certification of casino licensee; imposition of tax; effect of law allowing operation of video lottery at horse racetracks; wagering on simulcast horse races; payments; effect of city ordinance; existing appropriations or expenditures; definitions.

Sec. 12. (1) A wagering tax is imposed on the adjusted gross receipts received by the licensee from gaming authorized under this act at the rate of 18%. If a city exercises

either of the options in subsection (4), the tax rate under this subsection shall be 8.1% and deposited in the state school aid fund to provide additional funds for K-12 classroom education. If the city rescinds or is otherwise unable to exercise 1 of the options in subsection (4), the tax rate under this subsection shall be 18%. A tax rate of 18% imposed under this subsection shall cover any period for which the city does not or is unable to exercise 1 of the options in subsection (4).

(2) The state casino gaming fund is created in the department of treasury. The fund shall be administered by the department in accordance with this act. Except as provided in sections 12a and 13, the taxes imposed under this section plus all other fees, fines, and charges imposed by the state shall be deposited into the state casino gaming fund. The wagering tax is to be remitted daily by the holder of a casino license to the department of treasury by electronic wire transfer of funds. The state shall remit the city's portion of the wagering tax to the city daily by electronic wire transfer of funds as provided by this act.

(3) If the state imposes a wagering tax under subsection (1) equal to 18% of adjusted gross receipts, money in the state casino gaming fund that is not from a tax imposed under subsections (5) to (8) shall be allocated as follows:

(a) 55% to the city in which a casino is located for use in connection with the following:

(i) The hiring, training, and deployment of street patrol officers.

(ii) Neighborhood and downtown economic development programs designed to create local jobs.

(iii) Public safety programs such as emergency medical services, fire department programs, and street lighting.

(iv) Anti-gang and youth development programs.

(v) Other programs that are designed to contribute to the improvement of the quality of life in the city.

(vi) Relief to the taxpayers of the city from 1 or more taxes or fees imposed by the city.

(vii) The costs of capital improvements.

(viii) Road repairs and improvements.

(b) 45% to the state to be deposited in the state school aid fund to provide additional funds for K-12 classroom education.

(4) A city in which a licensee is located may do 1 of the following:

(a) In the development agreement into which the city is entitled to enter, include a provision that requires the licensee located in the city to pay the city a payment equal to 9.9% of the adjusted gross receipts received by the licensee from gaming authorized under this act.

(b) By ordinance, levy, assess, and collect an excise tax upon licensees located in the city at a rate of 9.9% of the adjusted gross receipts received by the licensee from gaming authorized under this act.

(5) Subject to subsections (6) to (8), a wagering tax in addition to the tax imposed in subsection (1) is imposed on the adjusted gross receipts received by a licensee from gaming authorized under this act at the rate of 6%. Money from the tax imposed under this subsection that has been deposited in the state casino gaming fund shall be allocated 1/3 to the city in which the licensee's casino is located for use in connection with the purposes listed in subsection (3)(a), 7/12 to the general fund, and 1/12 to the Michigan agriculture equine industry development fund. The city may collect its share of the tax under this subsection directly using 1 of the methods in subsection (4). For a period during

which the licensee is paying the city's share of the tax under this subsection directly to the city under either of the methods in subsection (4), the payment to the state casino gaming fund under this subsection shall be 4% and shall be allocated 7/8 to the general fund and 1/8 to the Michigan agriculture equine industry development fund.

(6) Subject to subsections (7) and (8), and unless an act of God, a war, a disaster, or an act of terrorism directly and substantially impacts the ability of the licensee to complete construction of its casino and casino enterprise, if a casino licensee is not fully operational by each of the following dates, the tax on the licensee under subsection (5) shall be as follows:

(a) July 1, 2009, 7%, allocated 1/2 to the general fund, 1/14 to the Michigan agriculture equine industry development fund, and 3/7 to the city in which the licensee's casino is located.

(b) July 1, 2010, 8%, allocated 7/16 to the general fund, 1/16 to the Michigan agriculture equine industry development fund, and 1/2 to the city in which the licensee's casino is located.

(c) July 1, 2011, 9%, allocated 7/18 to the general fund, 1/18 to the Michigan agriculture equine industry development fund, and 5/9 to the city in which the licensee's casino is located.

(7) Subject to subsection (8), and irrespective of whether there has been an increase under subsection (6), after a casino licensee has been fully operational for 30 consecutive days, the licensee may apply to the board for certification under this subsection. If the board determines that a licensee that makes an application under this subsection has been fully operational and in compliance with its development agreement that is in existence on July 1, 2004 or a subsequent original development agreement, for at least 30 consecutive days, the board shall certify the licensee under this subsection, and the tax imposed on the licensee under subsection (5), as adjusted, if applicable, by subsection (6), shall be, retroactive to the first day of the 30 consecutive day period that the licensee was fully operational, reduced to 1% and shall be allocated entirely to the city where the licensee operates its casino.

(8) If the McCauley-Traxler-Law-Bowman-McNeely lottery act, 1972 PA 239, MCL 432.1 to 432.47, is amended to allow the operation of video lottery at horse racetracks in this state, and if video lottery is being conducted at horse racetracks in this state, the licensee is no longer obligated to pay the wagering tax under subsections (5) to (7).

(9) Notwithstanding section 9b, if the McCauley-Traxler-Law-Bowman-McNeely lottery act, 1972 PA 239, MCL 432.1 to 432.47, is amended to allow the operation of video lottery at horse racetracks in this state, and if video lottery is being conducted at horse racetracks in this state, a casino licensee may, after obtaining approval from the board, apply to the racing commissioner for authorization to simulcast horse races under the horse racing law of 1995, 1995 PA 279, MCL 431.301 to 431.336. A casino licensee that is authorized under this subsection shall display and allow wagering on simulcast horse races only at the licensee's casino and shall comply with all applicable provisions of the horse racing law of 1995, 1995 PA 279, MCL 431.301 to 431.336, rules promulgated under that act, and the written permit to conduct simulcasting and any related order issued to the licensee by the racing commissioner. Simulcasting and wagering under this subsection are under the primary control of the racing commissioner, and the racing commissioner may revoke or suspend the authorization of or take other disciplinary action against the licensee for failing to comply with a law, rule, permit, or order as required by this subsection. However, the simulcasting and wagering under this subsection is part of the licensee's casino operation under this act and subject to the same control by the board as are other parts of the licensee's casino operation. The board may take disciplinary action under section 4a against a casino licensee for failure to comply with a law, rule, permit, or order as required by this subsection.

(10) A casino licensee is entitled to the same commission from money wagered on horse races simulcast by the licensee as a race meeting licensee is entitled to receive from

wagering on simulcast horse races under the horse racing law of 1995, 1995 PA 279, MCL 431.301 to 431.336. The same taxes, fees, and other deductions shall be subtracted and paid from the licensee's commission as are subtracted and paid from a race meeting licensee's commission under the horse racing law of 1995, 1995 PA 279, MCL 431.301 to 431.336.

(11) Payments to a city under 1 of the methods in subsection (4) shall be made in a manner, at those times, and subject to reporting requirements and penalties and interest for delinquent payment as may be provided for in the development agreement if the payment is required under a development agreement, or by ordinance if the payment is required for a tax levied by the city. Payments required under the method described in subsection (4)(a) may be in addition to any other payments which may be required in the development agreement for the conveyance of any interest in property, the purchase of services, or the reimbursement of expenses. Payments to a city under the method described in subsection (4) shall be used by the city for the purposes listed in subsection (3)(a).

(12) Approval by the city of a development agreement or adoption of an ordinance approving either casino gaming or the levy of a local excise tax does not constitute the granting of a franchise or license by the city for purposes of any statutory, charter, or constitutional provision.

(13) The taxes imposed under this section and any tax imposed under section 13(2) shall be administered by the department of treasury in accordance with 1941 PA 122, MCL 205.1 to 205.31, and this act. In case of conflict between the provisions of 1941 PA 122, MCL 205.1 to 205.31, and this act, the provisions of this act prevail.

(14) Funds from this act shall not be used to supplant existing state appropriations or local expenditures.

(15) As used in this section:

(a) "Fully operational" means that a certificate of occupancy has been issued to the casino licensee for the operation of a hotel with not fewer than 400 guest rooms and, after issuance of the certificate of occupancy, the casino licensee's casino, casino enterprise, and 400-guest-room hotel have been opened and made available for public use at their permanent location and maintained in that status.

(b) "Michigan agriculture equine industry development fund" means the Michigan agriculture equine industry development fund created in section 20 of the horse racing law of 1995, 1995 PA 279, MCL 431.320.

Effective date.

Enacting section 1. This amendatory act takes effect September 1, 2004.

This act is ordered to take immediate effect.

Approved August 17, 2004.

Filed with Secretary of State August 17, 2004.

[No. 307]

(HB 5446)

AN ACT to amend 1945 PA 282, entitled "An act to provide for county planning; the creation, organization, powers and duties of county planning commissions," by amending section 2 (MCL 125.102).