

(5) Each month the clerk of the court of appeals shall deposit with the state treasurer all fees collected, securing and filing a receipt for the fees deposited.

(6) Costs shall be awarded in the discretion of the court.

(7) Upon appeal to the court of appeals, there shall be paid to the clerk of the trial court the sum of \$10.00 as an appeal fee.

600.880 Filing fees for civil action to probate register; exceptions; disposition.

Sec. 880. (1) Except as otherwise provided in this section and section 880a, at the time of commencing a civil action or proceeding in the probate court, the party commencing the civil action or proceeding shall pay a \$150.00 filing fee to the probate court register.

(2) At the time of commencing a proceeding under section 3982 of the estates and protected individuals code, 1998 PA 386, MCL 700.3982, the party commencing the proceeding shall pay a \$25.00 filing fee to the probate court register.

(3) Except as otherwise provided by law, a fee shall not be charged for commencing a proceeding in probate court under a provision of the mental health code, 1974 PA 258, MCL 330.1001 to 330.2106.

(4) A party is not required to pay a fee under this section if the party is the attorney general, department of treasury, family independence agency, state public administrator, or administrator of veterans affairs of the United States veterans administration, or an agency of county government.

(5) The probate register, on or before the fifth day of the month following the month in which fees are collected under this section, shall transmit to the county treasurer all fees collected under this section during the preceding month. Within 15 days after receiving the fees, the county treasurer shall transmit all fees collected under subsection (1) to the civil filing fee fund created in section 171 and all fees collected under subsection (2) to the state treasurer for deposit in the state court fund created by section 151a.

600.880a Filing fee commencing guardianship to probate register; exception; disposition.

Sec. 880a. (1) Except as otherwise provided in this section and section 880, at the time of commencing a guardianship or limited guardianship proceeding in the probate court, the party commencing the proceeding shall pay a \$150.00 filing fee to the probate register.

(2) A party is not required to pay a fee under this section if the party is the attorney general, department of treasury, family independence agency, state public administrator, or administrator of veterans affairs of the United States veterans administration, or an agency of county government.

(3) The probate register, on or before the fifth day of the month following the month in which any fees are collected under this section, shall transmit to the county treasurer all fees collected under this section during the preceding month. Within 15 days after receiving the fees, the county treasurer shall transmit all fees collected to the state treasurer for deposit in the civil filing fee fund created by section 171.

600.880b Motion fee to probate register; exceptions; disposition.

Sec. 880b. (1) Except as otherwise provided by law, after the commencement of a civil action or proceeding in the probate court, a party filing a motion, petition, account, objection, or claim shall pay a \$20.00 motion fee to the probate register.

(2) A fee shall not be charged under this section in a guardianship or limited guardianship proceeding if the moving party is the subject of the proceeding.

(3) A fee shall not be charged under this section in a conservatorship proceeding if the moving party is the subject of the proceeding or, if the conservatorship is for a minor, for a motion to release restricted funds.

(4) A party is not required to pay a fee under this section if the party is the attorney general, department of treasury, family independence agency, state public administrator, or administrator of veterans affairs of the United States veterans administration, or an agency of county government.

(5) The probate register, on or before the fifth day of the month following the month in which fees are collected under this section, shall transmit to the county treasurer all fees collected under this section during the preceding month. Within 15 days after receiving the fees, the county treasurer shall transmit 50% of each fee collected to the state treasurer for deposit in the state court fund created by section 151a and shall deposit the remaining 50% of each fee in the county general fund for use exclusively for expenses of the probate court, to be first applied toward expenses in adult guardianship proceedings of the independent evaluations, legal counsel, and periodic review mandated by article 5 of the estates and protected individuals code, 1998 PA 386, MCL 700.5101 to 700.5520.

600.1027 Ancillary or limited guardianship; filing fee; disposition.

Sec. 1027. (1) At the time of commencing an ancillary guardianship or limited guardianship proceeding in the family division of circuit court, the party commencing the proceeding shall pay a \$150.00 filing fee to the family division of circuit court.

(2) A party is not required to pay a fee under this section if the party is the attorney general, department of treasury, family independence agency, state public administrator, or administrator of veterans affairs of the United States veterans administration, or an agency of county government.

(3) The clerk of the court, on or before the fifth day of the month following the month in which any fees are collected under this section, shall transmit to the county treasurer all fees collected under this section during the preceding month. Within 15 days after receiving the fees, the county treasurer shall transmit, for each fee collected, \$31.00 to the county treasurer and the balance of the fee to the state treasurer for deposit in the civil filing fee fund created in section 171.

600.2529 Fees paid to clerk of circuit court; sums held as payment in full; payment of fees to county treasurer; waiving or suspending fees; affidavit of indigency or inability to pay; report.

Sec. 2529. (1) In the circuit court, the following fees shall be paid to the clerk of the court:

(a) Before a civil action other than an action brought exclusively under section 2950, 2950a, or 2950h to 2950m is commenced, or before the filing of an application for superintending control or for an extraordinary writ, except the writ of habeas corpus, the party bringing the action or filing the application shall pay the sum of \$150.00. The clerk at the end of each month shall transmit for each fee collected under this subdivision within the month \$31.00 to the county treasurer and the balance of the filing fee to the state treasurer for deposit in the civil filing fee fund created in section 171.

(b) Before the filing of a claim of appeal or motion for leave to appeal from the district court, probate court, a municipal court, or an administrative tribunal or agency, the sum of \$150.00. For each fee collected under this subdivision, the clerk shall transmit \$31.00 to the county treasurer and the balance of the fee to the state treasurer for deposit in the civil filing fee fund created in section 171.

(c) If a trial by jury is demanded, the party making the demand at the time shall pay the sum of \$85.00. Failure to pay the fee at the time the demand is made constitutes a waiver of the right to a jury trial. The sum shall be taxed in favor of the party paying the fee, in case the party recovers a judgment for costs. For each fee collected under this subdivision, the clerk shall transmit \$25.00 to the state treasurer for deposit in the juror compensation reimbursement fund created in section 151d.

(d) Before entry of a final judgment in an action for divorce or separate maintenance in which minor children are involved, or the entry of a final judgment in a child custody dispute submitted to the circuit court as an original action, 1 of the following sums, which shall be deposited by the county treasurer as provided in section 2530:

(i) If the matter was contested or uncontested and was not submitted to domestic relations mediation or investigation by the friend of the court, \$30.00.

(ii) If the matter was contested or uncontested and was submitted to domestic relations mediation, \$50.00.

(iii) If the matter was contested or uncontested and the office of the friend of the court conducted an investigation and made a recommendation to the court, \$70.00.

(e) Except as otherwise provided in this section, upon the filing of a motion the sum of \$20.00. In conjunction with an action brought under section 2950 or 2950a, a motion fee shall not be collected for a motion to dismiss the petition, a motion to modify, rescind, or terminate a personal protection order, or a motion to show cause for a violation of a personal protection order. A motion fee shall not be collected for a motion to dismiss a proceeding to enforce a foreign protection order or a motion to show cause for a violation of a foreign protection order under sections 2950h to 2950m. For each fee collected under this subdivision, the clerk shall transmit \$10.00 to the state treasurer for deposit in the state court fund created by section 151a.

(f) For services under the direction of the court that are not specifically provided for in this section relative to the receipt, safekeeping, or expending of money, or the purchasing, taking, or transferring of a security, or the collecting of interest on a security, the clerk shall receive the allowance and compensation from the parties as the court may consider just and shall direct by court order, after notice to the parties to be charged.

(g) Upon appeal to the court of appeals or the supreme court, the sum of \$25.00.

(h) The sum of \$15.00 as a service fee for each writ of garnishment, attachment, execution, or judgment debtor discovery subpoena issued.

(2) The sums paid as provided in this section shall be held to be in full for all clerk, entry, and judgment fees in an action from the commencement of the action to and including the issuance and return of the execution or other final process, and are taxable as costs.

(3) Except as otherwise provided in this section, the fees shall be paid over to the county treasurer as required by law.

(4) The court shall order any of the fees prescribed in this section waived or suspended, in whole or in part, upon a showing by affidavit of indigency or inability to pay.

(5) The clerk of the circuit court shall prepare and submit a court filing fee report to the executive secretary of the Michigan judges retirement system created by the judges retirement act of 1992, 1992 PA 234, MCL 38.2101 to 38.2670, at the same time the clerk of the circuit court transmits the portion of the fees collected under this section to the executive secretary.

600.2538 Payments of support or maintenance collected by friend of the court or state disbursement unit; fee; notice; transition to centralized receipt and disbursement of support and fees; attorney general's operations fund; "state disbursement unit" or "SDU" defined.

Sec. 2538. (1) For services provided that are not reimbursable under the provisions of part D of title IV of the social security act, chapter 531, 49 Stat. 620, 42 U.S.C. 651 to 655, 656 to 660, and 663 to 669b, every person required to make payments of support or maintenance to be collected by the friend of the court or the state disbursement unit shall pay a fee of \$1.50 per month for every month or portion of a month that support or maintenance is required to be paid. The fee shall be paid monthly, quarterly, or semiannually as required by the friend of the court. The friend of the court shall provide notice of the fee required by this section to the person ordered to pay the support and that the fee shall be paid monthly or as otherwise determined by the friend of the court. The friend of the court or SDU shall transmit 25 cents of each fee collected under this section to the appropriate county treasurer for deposit into the general fund of the county, 25 cents to the state treasurer for deposit in the fund created in subsection (3), and the balance to the state treasurer for deposit in the state court fund created in section 151a.

(2) The department, the SDU, and each office of the friend of the court shall cooperate in the transition to the centralized receipt and disbursement of support and fees. An office of the friend of the court shall continue to receive and disburse support and fees through the transition, based on the schedule developed as required by section 6 of the office of child support act, 1971 PA 174, MCL 400.236, and modifications to that schedule as the department considers necessary.

(3) An attorney general's operations fund is created within the state treasury. The state treasurer may receive money or other assets from any source for deposit into the fund. The state treasurer shall direct the investment of the fund. The state treasurer shall credit to the fund interest and earnings from fund investments. Money in the fund at the close of the fiscal year shall remain in the fund and shall not lapse to the general fund. The department of attorney general shall expend money from the fund, upon appropriation, for operational purposes.

(4) As used in this section, "state disbursement unit" or "SDU" means the entity established in section 6 of the office of child support act, 1971 PA 174, MCL 400.236.

600.5756 Filing fees; disposition; report.

Sec. 5756. (1) If the complaint is for the recovery of possession of premises only, the fee for filing a proceeding under this chapter is \$45.00. Beginning October 1, 2005, the fee required under this subsection is \$40.00.

(2) If a claim for a money judgment is joined with a claim for the recovery of possession of premises, the plaintiff shall pay a supplemental filing fee in the same amount as established by law for the filing of a claim for a money judgment in the same court.

(3) Of each filing fee collected under this section, at the end of each month, the clerk of the district court shall transmit \$17.00 to the treasurer of the district funding unit in which the action was commenced, of which not less than \$5.00 shall be used by the district funding unit to fund the operation of the district court; and the balance to the state treasurer for deposit in the civil filing fee fund created by section 171. Beginning October 1, 2005, the amount of each fee that the clerk shall transmit to the treasurer of the district funding unit is reduced to \$12.00.

(4) At the end of each month, the clerk of the district court shall transmit each supplemental filing fee collected under this section in the same manner as a fee under section 8371 for the filing of a claim for money judgment for the same amount is transmitted.

(5) The clerk of the district court shall prepare and submit a court filing fee report to the executive secretary of the Michigan judges retirement system created by the judges retirement act of 1992, 1992 PA 234, MCL 38.2101 to 38.2670, at the same time the clerk of the district court transmits the portion of the fees collected under this section to the executive secretary.

600.8371 Filing fees to district court; disposition; waiver or suspension; exception; filing fee for civil infraction; fee in trial by jury; motion filing fees; report.

Sec. 8371. (1) In the district court, the fees prescribed in this section shall be paid to the clerk of the court.

(2) Before a civil action is commenced in the district court, the party commencing the action shall pay to the clerk the sum of \$150.00 if the amount in controversy exceeds \$10,000.00. For each fee collected under this subsection, the clerk shall transmit \$31.00 to the treasurer of the district funding unit in which the action was commenced, and shall transmit the balance to the state treasurer for deposit in the civil filing fee fund created by section 171.

(3) Before a civil action is commenced in the district court, the party commencing the action shall pay to the clerk the sum of \$65.00 if the amount in controversy exceeds \$1,750.00 but does not exceed \$10,000.00. Beginning October 1, 2005, the fee required under this subsection is \$60.00. For each fee collected under this subsection, the clerk shall transmit \$23.00 to the treasurer of the district funding unit in which the action was commenced, of which not less than \$5.00 shall be used by the district funding unit to fund the operation of the district court; and shall transmit the balance to the state treasurer for deposit in the civil filing fee fund created by section 171. Beginning October 1, 2005, the amount of each fee that the clerk shall transmit to the treasurer of the district funding unit is reduced to \$18.00.

(4) Before a civil action is commenced in the district court, the party commencing the action shall pay to the clerk the sum of \$45.00 if the amount in controversy exceeds \$600.00 but does not exceed \$1,750.00. Beginning October 1, 2005, the fee required under this subsection is \$40.00. For each fee collected under this subsection, the clerk shall transmit \$17.00 to the treasurer of the district funding unit in which the action was commenced, of which not less than \$5.00 shall be used by the district funding unit to fund the operation of the district court; and shall transmit the balance to the state treasurer for deposit in the civil filing fee fund created by section 171. Beginning October 1, 2005, the amount of each fee that the clerk shall transmit to the treasurer of the district funding unit is reduced to \$12.00.

(5) Before a civil action is commenced in the district court, the party commencing the action shall pay to the clerk the sum of \$25.00 if the amount in controversy does not exceed \$600.00. Beginning October 1, 2005, the fee required under this subsection is \$20.00. For each fee collected under this subsection, the clerk shall transmit \$11.00 to the treasurer of the district funding unit in which the action was commenced, of which not less than \$5.00 shall be used by the district funding unit to fund the operation of the district court; and shall transmit the balance to the state treasurer for deposit in the civil filing fee fund created by section 171. Beginning October 1, 2005, the amount of each fee that the clerk shall transmit to the treasurer of the district funding unit is reduced to \$6.00.

(6) The judge shall order payment of any statutory fees waived or suspended if the person subject to the fee is receiving public assistance or is determined by the court to be indigent.

(7) Neither this state nor a political subdivision of this state shall be required to pay a filing fee in a civil infraction action.

(8) Except for civil actions filed for relief under chapter 43, 57, or 84, if a civil action is filed for relief other than money damages, the filing fee shall be equal to the filing fee in actions for money damages in excess of \$1,750.00 but not in excess of \$10,000.00 as provided in subsection (3) and shall be transmitted in the same manner as a fee under subsection (3) is transmitted. If a claim for money damages is joined with a claim for relief other than money damages, the plaintiff shall pay a supplemental filing fee in the same amount as required under subsections (2) to (5).

(9) If a trial by jury is demanded, the party making the demand at the time shall pay the sum of \$50.00. Failure to pay the fee at the time the demand is made constitutes a waiver of the right to a jury trial. The sum shall be taxed in favor of the party paying the fee, in case the party recovers a judgment for costs. For each fee collected under this subsection, the clerk shall transmit \$10.00 to the state treasurer for deposit in the juror compensation reimbursement fund created in section 151d.

(10) A sum of \$20.00 shall be assessed for all motions filed in a civil action. For each fee collected under this subsection, the clerk shall transmit \$10.00 to the state treasurer for deposit in the state court fund created in section 151a and the balance shall be transmitted to the treasurer of the district funding unit for the district court in the district in which the action was commenced.

(11) The clerk of the district court shall prepare and submit a court filing fee report to the executive secretary of the Michigan judges retirement system created by the judges retirement act of 1992, 1992 PA 234, MCL 38.2101 to 38.2670, at the same time the clerk of the district court transmits the portion of the fees collected under this section to the executive secretary.

600.8420 Fees; disposition.

Sec. 8420. (1) A fee of the following amount, as applicable, shall be charged and collected for the filing of the affidavit for the commencement of any action:

(a) \$25.00, if the amount in controversy does not exceed \$600.00. Beginning October 1, 2005, the fee required under this subdivision is \$20.00.

(b) \$45.00, if the amount in controversy exceeds \$600.00 but does not exceed \$1,750.00. Beginning October 1, 2005, the fee required under this subdivision is \$40.00.

(c) \$65.00, if the amount in controversy exceeds \$1,750.00. Beginning October 1, 2005, the fee required under this subdivision is \$60.00.

(2) A fee in an amount equal to the prevailing postal rate for the service provided shall be charged and collected for each defendant to whom a copy of the affidavit is mailed by the clerk. A fee of \$15.00 shall be charged and collected for the issuance of a writ of execution, attachment, or garnishment and for the issuance of a judgment debtor discovery subpoena. Except as otherwise provided in this chapter, a fee or charge shall not be collected by an officer for any service rendered under this chapter or for the taking of affidavits for use in connection with any action commenced under this chapter.

(3) Of each filing fee under subsection (1)(a) collected within the month, at the end of each month, the clerk shall transmit \$11.00 to the treasurer of the district funding unit in which the action was commenced, of which not less than \$5.00 shall be used by the district

funding unit to fund the operation of the district court; and the balance to the state treasurer for deposit in the civil filing fee fund created in section 171. Beginning October 1, 2005, the amount of each fee that the clerk shall transmit to the treasurer of the district funding unit is reduced to \$6.00.

(4) Of each filing fee under subsection (1)(b) collected within the month, at the end of each month, the clerk shall transmit \$17.00 to the treasurer of the district funding unit in which the action was commenced, of which not less than \$5.00 shall be used by the district funding unit to fund the operation of the district court; and the balance to the state treasurer for deposit in the civil filing fee fund created in section 171. Beginning October 1, 2005, the amount of each fee that the clerk shall transmit to the treasurer of the district funding unit is reduced to \$12.00.

(5) Of each filing fee under subsection (1)(c) collected within the month, at the end of each month, the clerk shall transmit \$23.00 to the treasurer of the district funding unit in which the action was commenced, of which not less than \$5.00 shall be used by the district funding unit to fund the operation of the district court; and the balance to the state treasurer for deposit in the civil filing fee fund created in section 171. Beginning October 1, 2005, the amount of each fee that the clerk shall transmit to the treasurer of the district funding unit is reduced to \$18.00.

(6) If the affidavit and notice to appear and answer are served by personal service, the person serving the process is entitled to the same fee and mileage as for the service of a summons and complaint out of the district court.

Effective date.

Enacting section 1. This amendatory act takes effect October 1, 2003.

This act is ordered to take immediate effect.

Approved July 31, 2003.

Filed with Secretary of State August 1, 2003.

[No. 139]

(SB 399)

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,” by amending section 25 (MCL 205.75), as amended by 1993 PA 325.

The People of the State of Michigan enact:

205.75 Disposition of money received and collected.

Sec. 25. (1) All money received and collected under this act shall be deposited by the department in the state treasury to the credit of the general fund, except as otherwise provided in this section.

(2) Fifteen percent of the collections of the tax imposed at a rate of 4% shall be distributed to cities, villages, and townships pursuant to the Glenn Steil state revenue sharing act of 1971, 1971 PA 140, MCL 141.901 to 141.921.

(3) Sixty percent of the collections of the tax imposed at a rate of 4% shall be deposited in the state school aid fund established in section 11 of article IX of the state constitution of 1963 and distributed as provided by law. In addition, all of the collections of the tax imposed at the additional rate of 2% approved by the electors March 15, 1994 shall be deposited in the state school aid fund.

(4) For the fiscal year ending September 30, 1988 and each fiscal year ending after September 30, 1988, of the 25% of the collections of the general sales tax imposed at a rate of 4% directly or indirectly on fuels sold to propel motor vehicles upon highways, on the sale of motor vehicles and on the sale of the parts and accessories of motor vehicles by new and used car businesses, used car businesses, accessory dealer businesses, and gasoline station businesses as classified by the department of treasury remaining after the allocations and distributions are made pursuant to subsections (2) and (3), the following amounts shall be deposited each year into the respective funds:

(a) Through the fiscal year ending September 30, 2003 and for the fiscal year ending September 30, 2006 and each fiscal year ending after September 30, 2006, not less than 27.9% to the comprehensive transportation fund. For the fiscal year ending September 30, 2004 and the fiscal year ending September 30, 2005, not less than 24% shall be deposited each year in the comprehensive transportation fund.

(b) The balance to the state general fund.

(5) After the allocations and distributions are made pursuant to subsections (2) and (3), an amount equal to the collections of the tax imposed at a rate of 4% under this act from the sale at retail of computer software as defined in section 1 shall be deposited in the Michigan health initiative fund created in section 5911 of the public health code, 1978 PA 368, MCL 333.5911, and shall be considered in addition to, and is not intended as a replacement for any other money appropriated to the department of public health. The funds deposited in the Michigan health initiative fund on an annual basis shall not be less than \$9,000,000.00 or more than \$12,000,000.00.

(6) The balance in the state general fund shall be disbursed only on an appropriation or appropriations by the legislature.

This act is ordered to take immediate effect.

Approved July 31, 2003.

Filed with Secretary of State August 1, 2003.

[No. 140]

(SB 133)

AN ACT to amend 1893 PA 206, entitled "An act to provide for the assessment of rights and interests, including leasehold interests, in property and the levy and collection of taxes on property, and for the collection of taxes levied; making those taxes a lien on the property taxed, establishing and continuing the lien, providing for the sale or forfeiture and conveyance of property delinquent for taxes, and for the inspection and

disposition of lands bid off to the state and not redeemed or purchased; to provide for the establishment of a delinquent tax revolving fund and the borrowing of money by counties and the issuance of notes; to define and limit the jurisdiction of the courts in proceedings in connection with property delinquent for taxes; to limit the time within which actions may be brought; to prescribe certain limitations with respect to rates of taxation; to prescribe certain powers and duties of certain officers, departments, agencies, and political subdivisions of this state; to provide for certain reimbursements of certain expenses incurred by units of local government; to provide penalties for the violation of this act; and to repeal acts and parts of acts,” by amending sections 7u, 7cc, 7dd, 9, 24c, 27d, and 120 (MCL 211.7u, 211.7cc, 211.7dd, 211.9, 211.24c, 211.27d, and 211.120), sections 7u and 24c as amended by 2002 PA 620, section 7cc as amended by 2002 PA 624, section 7dd as amended and section 27d as added by 1996 PA 476, section 9 as amended by 1996 PA 582, and section 120 as added by 1995 PA 74.

The People of the State of Michigan enact:

211.7u Principal residence of persons in poverty; exemption from taxation; applicability of section to property of corporation; eligibility for exemption; application; policy and guidelines to be used by local assessing unit; duties of board of review; appeal of property assessment; “principal residence” defined.

Sec. 7u. (1) The principal residence of persons who, in the judgment of the supervisor and board of review, by reason of poverty, are unable to contribute toward the public charges is eligible for exemption in whole or in part from taxation under this act. This section does not apply to the property of a corporation.

(2) To be eligible for exemption under this section, a person shall do all of the following on an annual basis:

(a) Be an owner of and occupy as a principal residence the property for which an exemption is requested.

(b) File a claim with the supervisor or board of review on a form provided by the local assessing unit, accompanied by federal and state income tax returns for all persons residing in the principal residence, including any property tax credit returns, filed in the immediately preceding year or in the current year. The filing of a claim under this subsection constitutes an appearance before the board of review for the purpose of preserving the claimant’s right to appeal the decision of the board of review regarding the claim.

(c) Produce a valid driver’s license or other form of identification if requested by the supervisor or board of review.

(d) Produce a deed, land contract, or other evidence of ownership of the property for which an exemption is requested if required by the supervisor or board of review.

(e) Meet the federal poverty guidelines updated annually in the federal register by the United States department of health and human services under authority of section 673 of subtitle B of title VI of the omnibus budget reconciliation act of 1981, Public Law 97-35, 42 U.S.C. 9902, or alternative guidelines adopted by the governing body of the local assessing unit provided the alternative guidelines do not provide income eligibility requirements less than the federal guidelines.

(3) The application for an exemption under this section shall be filed after January 1 but before the day prior to the last day of the board of review.

(4) The governing body of the local assessing unit shall determine and make available to the public the policy and guidelines the local assessing unit uses for the granting of exemptions under this section. The guidelines shall include but not be limited to the specific income and asset levels of the claimant and total household income and assets.

(5) The board of review shall follow the policy and guidelines of the local assessing unit in granting or denying an exemption under this section unless the board of review determines there are substantial and compelling reasons why there should be a deviation from the policy and guidelines and the substantial and compelling reasons are communicated in writing to the claimant.

(6) A person who files a claim under this section is not prohibited from also appealing the assessment on the property for which that claim is made before the board of review in the same year.

(7) As used in this section, "principal residence" means principal residence or qualified agricultural property as those terms are defined in section 7dd.

211.7cc Principal residence exemption from tax levied by local school district for school operating purposes; procedures.

Sec. 7cc. (1) A principal residence is exempt from the tax levied by a local school district for school operating purposes to the extent provided under section 1211 of the revised school code, 1976 PA 451, MCL 380.1211, if an owner of that principal residence claims an exemption as provided in this section. Notwithstanding the tax day provided in section 2, for taxes levied before January 1, 2004, the status of property as a principal residence shall be determined on the date an affidavit claiming an exemption is filed under subsection (2). For taxes levied after December 31, 2003, the status of property as a principal residence shall be determined on the tax day provided in section 2.

(2) An owner of property may claim an exemption under this section by filing an affidavit on or before May 1 for taxes levied before January 1, 2004 and the tax day as provided in section 2 for taxes levied after December 31, 2003 with the local tax collecting unit in which the property is located. The affidavit shall state that the property is owned and occupied as a principal residence by that owner of the property on the date that the affidavit is signed. The affidavit shall be on a form prescribed by the department of treasury. One copy of the affidavit shall be retained by the owner, 1 copy shall be retained by the local tax collecting unit until any appeal or audit period under this act has expired, and 1 copy shall be forwarded to the department of treasury pursuant to subsection (4), together with all information submitted under subsection (27) for a cooperative housing corporation. The affidavit shall require the owner claiming the exemption to indicate if that owner or that owner's spouse has claimed another exemption on property in this state that is not rescinded or a substantially similar exemption, deduction, or credit on property in another state that is not rescinded. If the affidavit requires an owner to include a social security number, that owner's number is subject to the disclosure restrictions in 1941 PA 122, MCL 205.1 to 205.31. If an owner of property filed an affidavit for an exemption under this section before January 1, 2004, that affidavit shall be considered the affidavit required under this subsection for a principal residence exemption and that exemption shall remain in effect until rescinded as provided in this section.

(3) A husband and wife who are required to file or who do file a joint Michigan income tax return are entitled to not more than 1 exemption under this section. A person is not entitled to an exemption under this section if any of the following conditions occur:

(a) That person has claimed a substantially similar exemption, deduction, or credit on property in another state that is not rescinded.

(b) Subject to subdivision (a), that person or his or her spouse owns property in a state other than this state for which that person or his or her spouse claims an exemption, deduction, or credit substantially similar to the exemption provided under this section, unless that person and his or her spouse file separate income tax returns.

(c) That person has filed a nonresident Michigan income tax return, except active duty military personnel stationed in this state with his or her principal residence in this state.

(d) That person has filed an income tax return in a state other than this state as a resident, except active duty military personnel stationed in this state with his or her principal residence in this state.

(4) Upon receipt of an affidavit filed under subsection (2) and unless the claim is denied under this section, the assessor shall exempt the property from the collection of the tax levied by a local school district for school operating purposes to the extent provided under section 1211 of the revised school code, 1976 PA 451, MCL 380.1211, as provided in subsection (1) until December 31 of the year in which the property is transferred or is no longer a principal residence as defined in section 7dd. The local tax collecting unit shall forward copies of affidavits to the department of treasury according to a schedule prescribed by the department of treasury.

(5) Not more than 90 days after exempted property is no longer used as a principal residence by the owner claiming an exemption, that owner shall rescind the claim of exemption by filing with the local tax collecting unit a rescission form prescribed by the department of treasury. An owner who fails to file a rescission as required by this subsection is subject to a penalty of \$5.00 per day for each separate failure beginning after the 90 days have elapsed, up to a maximum of \$200.00. This penalty shall be collected under 1941 PA 122, MCL 205.1 to 205.31, and shall be deposited in the state school aid fund established in section 11 of article IX of the state constitution of 1963. This penalty may be waived by the department of treasury.

(6) If the assessor of the local tax collecting unit believes that the property for which an exemption is claimed is not the principal residence of the owner claiming the exemption, the assessor may deny a new or existing claim by notifying the owner and the department of treasury in writing of the reason for the denial and advising the owner that the denial may be appealed to the residential and small claims division of the Michigan tax tribunal within 35 days after the date of the notice. The assessor may deny a claim for exemption for the current year and for the 3 immediately preceding calendar years. If the assessor denies an existing claim for exemption, the assessor shall remove the exemption of the property and, if the tax roll is in the local tax collecting unit's possession, amend the tax roll to reflect the denial and the local treasurer shall within 30 days of the date of the denial issue a corrected tax bill for previously unpaid taxes with interest at the rate of 1.25% per month and penalties computed from the date the taxes were last payable without interest or penalty. If the tax roll is in the county treasurer's possession, the tax roll shall be amended to reflect the denial and the county treasurer shall within 30 days of the date of the denial prepare and submit a supplemental tax bill for any additional taxes, together with interest at the rate of 1.25% per month and penalties computed from the date the taxes were last payable without interest or penalty. Additional interest on any tax set forth in a corrected or supplemental tax bill shall begin to accrue 60 days after the

date the corrected or supplemental tax bill is issued at the rate of 1.25% per month. Taxes levied in a corrected or supplemental tax bill shall be returned as delinquent on the March 1 in the year immediately succeeding the year in which the corrected or supplemental tax bill is issued. If the assessor denies an existing claim for exemption, the interest due shall be distributed as provided in subsection (24). However, if the property has been transferred to a bona fide purchaser before additional taxes were billed to the seller as a result of the denial of a claim for exemption, the taxes, interest, and penalties shall not be a lien on the property and shall not be billed to the bona fide purchaser, and the local tax collecting unit if the local tax collecting unit has possession of the tax roll or the county treasurer if the county has possession of the tax roll shall notify the department of treasury of the amount of tax due, interest, and penalties through the date of that notification. The department of treasury shall then assess the owner who claimed the exemption under this section for the tax, interest, and penalties accruing as a result of the denial of the claim for exemption, if any, as for unpaid taxes provided under 1941 PA 122, MCL 205.1 to 205.31, and shall deposit any tax or penalty collected into the state school aid fund and shall distribute any interest collected as provided in subsection (24). The denial shall be made on a form prescribed by the department of treasury. If the property for which the assessor has denied a claim for exemption under this subsection is located in a county in which the county treasurer or the county equalization director have elected to audit exemptions under subsection (10), the assessor shall notify the county treasurer or the county equalization director of the denial under this subsection.

(7) If the assessor of the local tax collecting unit believes that the property for which the exemption is claimed is not the principal residence of the owner claiming the exemption and has not denied the claim, the assessor shall include a recommendation for denial with any affidavit that is forwarded to the department of treasury or, for an existing claim, shall send a recommendation for denial to the department of treasury, stating the reasons for the recommendation.

(8) The department of treasury shall determine if the property is the principal residence of the owner claiming the exemption. The department of treasury may review the validity of exemptions for the current calendar year and for the 3 immediately preceding calendar years. If the department of treasury determines that the property is not the principal residence of the owner claiming the exemption, the department shall send a notice of that determination to the local tax collecting unit and to the owner of the property claiming the exemption, indicating that the claim for exemption is denied, stating the reason for the denial, and advising the owner claiming the exemption of the right to appeal the determination to the department of treasury and what those rights of appeal are. The department of treasury may issue a notice denying a claim if an owner fails to respond within 30 days of receipt of a request for information from that department. An owner may appeal the denial of a claim of exemption to the department of treasury within 35 days of receipt of the notice of denial. An appeal to the department of treasury shall be conducted according to the provisions for an informal conference in section 21 of 1941 PA 122, MCL 205.21. Within 10 days after acknowledging an appeal of a denial of a claim of exemption, the department of treasury shall notify the assessor and the treasurer for the county in which the property is located that an appeal has been filed. Upon receipt of a notice that the department of treasury has denied a claim for exemption, the assessor shall remove the exemption of the property and, if the tax roll is in the local tax collecting unit's possession, amend the tax roll to reflect the denial and the local treasurer shall within 30 days of the date of the denial issue a corrected tax bill for previously unpaid taxes with interest at the rate of 1.25% per month and penalties computed from the date the taxes were last payable without interest and penalty. If the tax roll is in the county treasurer's possession, the tax roll shall be amended to reflect the

denial and the county treasurer shall within 30 days of the date of the denial prepare and submit a supplemental tax bill for any additional taxes, together with interest at the rate of 1.25% per month and penalties computed from the date the taxes were last payable without interest or penalty. Additional interest on any tax set forth in a corrected or supplemental tax bill shall begin to accrue 60 days after the date the corrected or supplemental tax bill is issued at the rate of 1.25% per month. Taxes levied in a corrected or supplemental tax bill shall be returned as delinquent on the March 1 in the year immediately succeeding the year in which the corrected or supplemental tax bill is issued. If the department of treasury denies an existing claim for exemption, the interest due shall be distributed as provided in subsection (24). However, if the property has been transferred to a bona fide purchaser before additional taxes were billed to the seller as a result of the denial of a claim for exemption, the taxes, interest, and penalties shall not be a lien on the property and shall not be billed to the bona fide purchaser, and the local tax collecting unit if the local tax collecting unit has possession of the tax roll or the county treasurer if the county has possession of the tax roll shall notify the department of treasury of the amount of tax due and interest through the date of that notification. The department of treasury shall then assess the owner who claimed the exemption under this section for the tax and interest plus penalty accruing as a result of the denial of the claim for exemption, if any, as for unpaid taxes provided under 1941 PA 122, MCL 205.1 to 205.31, and shall deposit any tax or penalty collected into the state school aid fund and shall distribute any interest collected as provided in subsection (24).

(9) The department of treasury may enter into an agreement regarding the implementation or administration of subsection (8) with the assessor of any local tax collecting unit in a county that has not elected to audit exemptions claimed under this section as provided in subsection (10). The agreement may specify that for a period of time, not to exceed 120 days, the department of treasury will not deny an exemption identified by the department of treasury in the list provided under subsection (11).

(10) A county may elect to audit the exemptions claimed under this section in all local tax collecting units located in that county as provided in this subsection. The election to audit exemptions shall be made by the county treasurer, or by the county equalization director with the concurrence by resolution of the county board of commissioners. The initial election to audit exemptions shall require an audit period of 2 years. Subsequent elections to audit exemptions shall be made every 2 years and shall require 2 annual audit periods. An election to audit exemptions shall be made by submitting an election to audit form to the assessor of each local tax collecting unit in that county and to the department of treasury not later than October 1 in the year in which an election to audit is made. The election to audit form required under this subsection shall be in a form prescribed by the department of treasury. If a county elects to audit the exemptions claimed under this section, the department of treasury may continue to review the validity of exemptions as provided in subsection (8). If a county does not elect to audit the exemptions claimed under this section as provided in this subsection, the department of treasury shall conduct an audit of exemptions claimed under this section in the initial 2-year audit period for each local tax collecting unit in that county unless the department of treasury has entered into an agreement with the assessor for that local tax collecting unit under subsection (9).

(11) If a county elects to audit the exemptions claimed under this section as provided in subsection (10) and the county treasurer or his or her designee or the county equalization director or his or her designee believes that the property for which an exemption is claimed is not the principal residence of the owner claiming the exemption, the county treasurer or his or her designee or the county equalization director or his or her designee may deny an existing claim by notifying the owner, the assessor of the local tax collecting unit, and the department of treasury in writing of the reason for the denial

and advising the owner that the denial may be appealed to the residential and small claims division of the Michigan tax tribunal within 35 days after the date of the notice. The county treasurer or his or her designee or the county equalization director or his or her designee may deny a claim for exemption for the current year and for the 3 immediately preceding calendar years. If the county treasurer or his or her designee or the county equalization director or his or her designee denies an existing claim for exemption, the county treasurer or his or her designee or the county equalization director or his or her designee shall direct the assessor of the local tax collecting unit in which the property is located to remove the exemption of the property from the assessment roll and, if the tax roll is in the local tax collecting unit's possession, direct the assessor of the local tax collecting unit to amend the tax roll to reflect the denial and the treasurer of the local tax collecting unit shall within 30 days of the date of the denial issue a corrected tax bill for previously unpaid taxes with interest at the rate of 1.25% per month and penalties computed from the date the taxes were last payable without interest and penalty. If the tax roll is in the county treasurer's possession, the tax roll shall be amended to reflect the denial and the county treasurer shall within 30 days of the date of the denial prepare and submit a supplemental tax bill for any additional taxes, together with interest at the rate of 1.25% per month and penalties computed from the date the taxes were last payable without interest or penalty. Additional interest on any tax set forth in a corrected or supplemental tax bill shall begin to accrue 60 days after the date the corrected or supplemental tax bill is issued at the rate of 1.25% per month. Taxes levied in a corrected or supplemental tax bill shall be returned as delinquent on the March 1 in the year immediately succeeding the year in which the corrected or supplemental tax bill is issued. If the county treasurer or his or her designee or the county equalization director or his or her designee denies an existing claim for exemption, the interest due shall be distributed as provided in subsection (24). However, if the property has been transferred to a bona fide purchaser before additional taxes were billed to the seller as a result of the denial of a claim for exemption, the taxes, interest, and penalties shall not be a lien on the property and shall not be billed to the bona fide purchaser, and the local tax collecting unit if the local tax collecting unit has possession of the tax roll or the county treasurer if the county has possession of the tax roll shall notify the department of treasury of the amount of tax due and interest through the date of that notification. The department of treasury shall then assess the owner who claimed the exemption under this section for the tax and interest plus penalty accruing as a result of the denial of the claim for exemption, if any, as for unpaid taxes provided under 1941 PA 122, MCL 205.1 to 205.31, and shall deposit any tax or penalty collected into the state school aid fund and shall distribute any interest collected as provided in subsection (24). The department of treasury shall annually provide the county treasurer or his or her designee or the county equalization director or his or her designee a list of parcels of property located in that county for which an exemption may be erroneously claimed. The county treasurer or his or her designee or the county equalization director or his or her designee shall forward copies of the list provided by the department of treasury to each assessor in each local tax collecting unit in that county within 10 days of receiving the list.

(12) If a county elects to audit exemptions claimed under this section as provided in subsection (10), the county treasurer or the county equalization director may enter into an agreement with the assessor of a local tax collecting unit in that county regarding the implementation or administration of this section. The agreement may specify that for a period of time, not to exceed 120 days, the county will not deny an exemption identified by the department of treasury in the list provided under subsection (11).

(13) An owner may appeal a denial by the assessor of the local tax collecting unit under subsection (6), a final decision of the department of treasury under subsection (8), or a

denial by the county treasurer or his or her designee or the county equalization director or his or her designee under subsection (11) to the residential and small claims division of the Michigan tax tribunal within 35 days of that decision. An owner is not required to pay the amount of tax in dispute in order to appeal a denial of a claim of exemption to the department of treasury or to receive a final determination of the residential and small claims division of the Michigan tax tribunal. However, interest at the rate of 1.25% per month and penalties shall accrue and be computed from the date the taxes were last payable without interest and penalty. If the residential and small claims division of the Michigan tax tribunal grants an owner's appeal of a denial and that owner has paid the interest due as a result of a denial under subsection (6), (8), or (11), the interest received after a distribution was made under subsection (24) shall be refunded.

(14) For taxes levied after December 31, 2005, for each county in which the county treasurer or the county equalization director does not elect to audit the exemptions claimed under this section as provided in subsection (10), the department of treasury shall conduct an annual audit of exemptions claimed under this section for the current calendar year.

(15) An affidavit filed by an owner for the exemption under this section rescinds all previous exemptions filed by that owner for any other property. The department of treasury shall notify the assessor of the local tax collecting unit in which the property for which a previous exemption was claimed is located that the previous exemption is rescinded by the subsequent affidavit. Upon receipt of notice that an exemption is rescinded, the assessor of the local tax collecting unit shall remove the exemption effective December 31 of the year in which the property is transferred or is no longer a principal residence as defined in section 7dd. The assessor of the local tax collecting unit in which that property is located shall notify the treasurer in possession of the tax roll for a year for which the exemption is rescinded. If the tax roll is in the local tax collecting unit's possession, the tax roll shall be amended to reflect the rescission and the local treasurer shall prepare and issue a corrected tax bill for previously unpaid taxes with interest and penalties computed based on the interest and penalties that would have accrued from the date the taxes were originally levied if there had not been an exemption for that year. If the tax roll is in the county treasurer's possession, the tax roll shall be amended to reflect the rescission and the county treasurer shall prepare and submit a supplemental tax bill for any additional taxes, together with any interest and penalties. However, if the property has been transferred to a bona fide purchaser, the taxes, interest, and penalties shall not be billed to the bona fide purchaser, and the local tax collecting unit if the local tax collecting unit has possession of the tax roll or the county treasurer if the county has possession of the tax roll shall notify the department of treasury of the amount of tax due and interest through the date of that notification. The department of treasury shall then assess the owner who received the exemption under this section when the property was not a principal residence as defined in section 7dd for the tax and interest plus penalty accruing, if any, as for unpaid taxes provided under 1941 PA 122, MCL 205.1 to 205.31, and shall deposit any tax, interest, or penalty collected into the state school aid fund.

(16) An owner of property for which a claim of exemption is rescinded may appeal that rescission with either the July or December board of review in either the year for which the exemption is rescinded or in the immediately succeeding year. If an appeal of a rescission of a claim for exemption is received not later than 5 days prior to the date of the December board of review, the local tax collecting unit shall convene a December board of review and consider the appeal pursuant to this section and section 53b. An owner of property for which a claim of exemption is rescinded may appeal the decision of the board of review to the residential and small claims division of the Michigan tax tribunal within 35 days of that decision.

(17) If the principal residence is part of a unit in a multiple-unit dwelling or a dwelling unit in a multiple-purpose structure, an owner shall claim an exemption for only that portion of the total taxable value of the property used as the principal residence of that owner in a manner prescribed by the department of treasury. If a portion of a parcel for which the owner claims an exemption is used for a purpose other than as a principal residence, the owner shall claim an exemption for only that portion of the taxable value of the property used as the principal residence of that owner in a manner prescribed by the department of treasury.

(18) When a county register of deeds records a transfer of ownership of a property, he or she shall notify the local tax collecting unit in which the property is located of the transfer.

(19) The department of treasury shall make available the affidavit forms and the forms to rescind an exemption, which may be on the same form, to all city and township assessors, county equalization officers, county registers of deeds, and closing agents. A person who prepares a closing statement for the sale of property shall provide affidavit and rescission forms to the buyer and seller at the closing and, if requested by the buyer or seller after execution by the buyer or seller, shall file the forms with the local tax collecting unit in which the property is located. If a closing statement preparer fails to provide exemption affidavit and rescission forms to the buyer and seller, or fails to file the affidavit and rescission forms with the local tax collecting unit if requested by the buyer or seller, the buyer may appeal to the department of treasury within 30 days of notice to the buyer that an exemption was not recorded. If the department of treasury determines that the buyer qualifies for the exemption, the department of treasury shall notify the assessor of the local tax collecting unit that the exemption is granted and the assessor of the local tax collecting unit or, if the tax roll is in the possession of the county treasurer, the county treasurer shall correct the tax roll to reflect the exemption. This subsection does not create a cause of action at law or in equity against a closing statement preparer who fails to provide exemption affidavit and rescission forms to a buyer and seller or who fails to file the affidavit and rescission forms with the local tax collecting unit when requested to do so by the buyer or seller.

(20) An owner who owned and occupied a principal residence on May 1 for taxes levied before January 1, 2004 and the tax day as provided in section 2 for taxes levied after December 31, 2003 for which the exemption was not on the tax roll may file an appeal with the July board of review or December board of review in the year for which the exemption was claimed or the immediately succeeding 3 years. If an appeal of a claim for exemption that was not on the tax roll is received not later than 5 days prior to the date of the December board of review, the local tax collecting unit shall convene a December board of review and consider the appeal pursuant to this section and section 53b.

(21) If the assessor or treasurer of the local tax collecting unit believes that the department of treasury erroneously denied a claim for exemption, the assessor or treasurer may submit written information supporting the owner's claim for exemption to the department of treasury within 35 days of the owner's receipt of the notice denying the claim for exemption. If, after reviewing the information provided, the department of treasury determines that the claim for exemption was erroneously denied, the department of treasury shall grant the exemption and the tax roll shall be amended to reflect the exemption.

(22) If granting the exemption under this section results in an overpayment of the tax, a rebate, including any interest paid, shall be made to the taxpayer by the local tax collecting unit if the local tax collecting unit has possession of the tax roll or by the county

treasurer if the county has possession of the tax roll within 30 days of the date the exemption is granted. The rebate shall be without interest.

(23) If an exemption under this section is erroneously granted for an affidavit filed before October 1, 2003, an owner may request in writing that the department of treasury withdraw the exemption. The request to withdraw the exemption shall be received not later than November 1, 2003. If an owner requests that an exemption be withdrawn, the department of treasury shall issue an order notifying the local assessor that the exemption issued under this section has been denied based on the owner's request. If an exemption is withdrawn, the property that had been subject to that exemption shall be immediately placed on the tax roll by the local tax collecting unit if the local tax collecting unit has possession of the tax roll or by the county treasurer if the county has possession of the tax roll as though the exemption had not been granted. A corrected tax bill shall be issued for the tax year being adjusted by the local tax collecting unit if the local tax collecting unit has possession of the tax roll or by the county treasurer if the county has possession of the tax roll. Unless a denial has been issued prior to July 1, 2003, if an owner requests that an exemption under this section be withdrawn and that owner pays the corrected tax bill issued under this subsection within 30 days after the corrected tax bill is issued, that owner is not liable for any penalty or interest on the additional tax. An owner who pays a corrected tax bill issued under this subsection more than 30 days after the corrected tax bill is issued is liable for the penalties and interest that would have accrued if the exemption had not been granted from the date the taxes were originally levied.

(24) Subject to subsection (25), interest at the rate of 1.25% per month collected under subsection (6), (8), or (11) shall be distributed as follows:

(a) If the assessor of the local tax collecting unit denies the exemption under this section, as follows:

- (i) To the local tax collecting unit, 70%.
- (ii) To the department of treasury, 10%.
- (iii) To the county in which the property is located, 20%.

(b) If the department of treasury denies the exemption this section, as follows:

- (i) To the local tax collecting unit, 20%.
- (ii) To the department of treasury, 70%.
- (iii) To the county in which the property is located, 10%.

(c) If the county treasurer or his or her designee or the county equalization director or his or her designee denies the exemption under this section, as follows:

- (i) To the local tax collecting unit, 20%.
- (ii) To the department of treasury, 10%.
- (iii) To the county in which the property is located, 70%.

(25) Interest distributed under subsection (24) is subject to the following conditions:

(a) Interest distributed to a county shall be deposited into a restricted fund to be used solely for the administration of exemptions under this section. Money in that restricted fund shall lapse to the county general fund on the December 31 in the year 3 years after the first distribution of interest to the county under subsection (24) and on each succeeding December 31 thereafter.

(b) Interest distributed to the department of treasury shall be deposited into the principal residence property tax exemption audit fund, which is created within the state

treasury. The state treasurer may receive money or other assets from any source for deposit into the fund. The state treasurer shall direct the investment of the fund. The state treasurer shall credit to the fund interest and earnings from fund investments. Money in the fund shall be considered a work project account and at the close of the fiscal year shall remain in the fund and shall not lapse to the general fund. Money from the fund shall be expended, upon appropriation, only for the purpose of auditing exemption affidavits.

(26) Interest distributed under subsection (24) is in addition to and shall not affect the levy or collection of the county property tax administration fee established under this act.

(27) A cooperative housing corporation is entitled to a full or partial exemption under this section for the tax year in which the cooperative housing corporation files all of the following with the local tax collecting unit in which the cooperative housing corporation is located if filed on or before May 1 for taxes levied before January 1, 2004 and the tax day as provided in section 2 for taxes levied after December 31, 2003:

(a) An affidavit form.

(b) A statement of the total number of units owned by the cooperative housing corporation and occupied as the principal residence of a tenant stockholder as of the date of the filing under this subsection.

(c) A list that includes the name, address, and social security number of each tenant stockholder of the cooperative housing corporation occupying a unit in the cooperative housing corporation as his or her principal residence as of the date of the filing under this subsection.

(d) A statement of the total number of units of the cooperative housing corporation on which an exemption under this section was claimed and that were transferred in the tax year immediately preceding the tax year in which the filing under this section was made.

(28) Before May 1, 2004 and before May 1, 2005, the treasurer of each county shall forward to the department of education a statement of the taxable value of each school district and fraction of a school district within the county for the preceding 4 calendar years. This requirement is in addition to the requirement set forth in section 151 of the state school aid act of 1979, 1979 PA 94, MCL 388.1751.

211.7dd Definitions.

Sec. 7dd. As used in sections 7cc and 7ee:

(a) "Owner" means any of the following:

(i) A person who owns property or who is purchasing property under a land contract.

(ii) A person who is a partial owner of property.

(iii) A person who owns property as a result of being a beneficiary of a will or trust or as a result of intestate succession.

(iv) A person who owns or is purchasing a dwelling on leased land.

(v) A person holding a life lease in property previously sold or transferred to another.

(vi) A grantor who has placed the property in a revocable trust or a qualified personal residence trust.

(vii) A cooperative housing corporation.

(viii) A facility registered under the living care disclosure act, 1976 PA 440, MCL 554.801 to 554.844.

(b) “Person”, for purposes of defining owner as used in section 7cc, means an individual and for purposes of defining owner as used in section 7ee means an individual, partnership, corporation, limited liability company, association, or other legal entity.

(c) “Principal residence” means the 1 place where an owner of the property has his or her true, fixed, and permanent home to which, whenever absent, he or she intends to return and that shall continue as a principal residence until another principal residence is established. Principal residence includes only that portion of a dwelling or unit in a multiple-unit dwelling that is subject to ad valorem taxes and that is owned and occupied by an owner of the dwelling or unit. Principal residence also includes all of an owner’s unoccupied property classified as residential that is adjoining or contiguous to the dwelling subject to ad valorem taxes and that is owned and occupied by the owner. Contiguity is not broken by a road, a right-of-way, or property purchased or taken under condemnation proceedings by a public utility for power transmission lines if the 2 parcels separated by the purchased or condemned property were a single parcel prior to the sale or condemnation. Principal residence also includes any portion of a dwelling or unit of an owner that is rented or leased to another person as a residence as long as that portion of the dwelling or unit that is rented or leased is less than 50% of the total square footage of living space in that dwelling or unit. Principal residence also includes a life care facility registered under the living care disclosure act, 1976 PA 440, MCL 554.801 to 554.844. Principal residence also includes property owned by a cooperative housing corporation and occupied by tenant stockholders.

(d) “Qualified agricultural property” means unoccupied property and related buildings classified as agricultural, or other unoccupied property and related buildings located on that property devoted primarily to agricultural use as defined in section 36101 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.36101. Related buildings include a residence occupied by a person employed in or actively involved in the agricultural use and who has not claimed a principal residence exemption on other property. Property used for commercial storage, commercial processing, commercial distribution, commercial marketing, or commercial shipping operations or other commercial or industrial purposes is not qualified agricultural property. A parcel of property is devoted primarily to agricultural use only if more than 50% of the parcel’s acreage is devoted to agricultural use. An owner shall not receive an exemption for that portion of the total state equalized valuation of the property that is used for a commercial or industrial purpose or that is a residence that is not a related building.

211.9 Personal property exempt from taxation.

Sec. 9. The following personal property is exempt from taxation:

(a) The personal property of charitable, educational, and scientific institutions incorporated under the laws of this state. This exemption does not apply to secret or fraternal societies, but the personal property of all charitable homes of secret or fraternal societies and nonprofit corporations that own and operate facilities for the aged and chronically ill in which the net income from the operation of the nonprofit corporations or secret or fraternal societies does not inure to the benefit of a person other than the residents is exempt.

(b) The property of all library associations, circulating libraries, libraries of reference, and reading rooms owned or supported by the public and not used for gain.

(c) The property of posts of the grand army of the republic, sons of veterans’ unions, and of the women’s relief corps connected with them, of young men’s Christian associations, women’s Christian temperance union associations, young people’s Christian

unions, a boy or girl scout or camp fire girls organization, 4-H clubs, and other similar associations.

(d) Pensions receivable from the United States.

(e) The property of Indians who are not citizens.

(f) The personal property owned and used by a householder such as customary furniture, fixtures, provisions, fuel, and other similar equipment, wearing apparel including personal jewelry, family pictures, school books, library books of reference, and allied items. Personal property is not exempt under this subdivision if it is used to produce income, if it is held for speculative investment, or if it constitutes an inventory of goods for sale in the regular course of trade.

(g) Household furnishings, provisions, and fuel of not more than \$5,000.00 in taxable value, of each social or professional fraternity, sorority, and student cooperative house recognized by the educational institution at which it is located.

(h) The working tools of a mechanic of not more than \$500.00 in taxable value. "Mechanic", as used in this subdivision, means a person skilled in a trade pertaining to a craft or in the construction or repair of machinery if the person's employment by others is dependent on his or her furnishing the tools.

(i) Fire engines and other implements used in extinguishing fires owned or used by an organized or independent fire company.

(j) Property actually used in agricultural operations and farm implements held for sale or resale by retail servicing dealers for use in agricultural production. As used in this subdivision, "agricultural operations" means farming in all its branches, including cultivation of the soil, growing and harvesting of an agricultural, horticultural, or floricultural commodity, dairying, raising and harvesting of livestock, bees, fur-bearing animals, or poultry, turf and tree farming, raising and harvesting of fish, and any practices performed by a farmer or on a farm as an incident to, or in conjunction with, farming operations, but excluding retail sales and food processing operations. Property used in agricultural operations includes machinery used to prepare the crop for market operated incidental to a farming operation that does not substantially alter the form, shape, or substance of the crop and is limited to cleaning, cooling, washing, pitting, grading, sizing, sorting, drying, bagging, boxing, crating, and handling if not less than 33% of the volume of the crops processed in the year ending on the applicable tax day or in at least 3 of the immediately preceding 5 years were grown by the farmer in Michigan who is the owner or user of the crop processing machinery.

(k) Personal property of not more than \$500.00 in taxable value used by a householder in the operation of a business in the householder's dwelling or at 1 other location in the city, township, or village in which the householder resides.

(l) The products, materials, or goods processed or otherwise and in whatever form, but expressly excepting alcoholic beverages, located in a public warehouse, United States customs port of entry bonded warehouse, dock, or port facility on December 31 of each year, if those products, materials, or goods are designated as in transit to destinations outside this state pursuant to the published tariffs of a railroad or common carrier by filing the freight bill covering the products, materials, or goods with the agency designated by the tariffs, entitling the shipper to transportation rate privileges. Products in a United States customs port of entry bonded warehouse that arrived from another state or a foreign country, whether awaiting shipment to another state or to a final destination within this state, are considered to be in transit and temporarily at rest, and not subject to the collection of taxes under this act. To obtain an exemption for products,

materials, or goods under this subdivision, the owner shall file a sworn statement with, and in the form required by, the assessing officer of the tax district in which the warehouse, dock, or port facility is located, at a time between the tax day, December 31, and before the assessing officer closes the assessment rolls describing the products, materials, or goods, and reporting their cost and value as of December 31 of each year. The status of persons and products, materials, or goods for which an exemption is requested is determined as of December 31, which is the tax day. Any property located in a public warehouse, dock, or port facility on December 31 of each year that is exempt from taxation under this subdivision but that is not shipped outside this state pursuant to the particular tariff under which the transportation rate privilege was established shall be assessed upon the immediately succeeding or a subsequent assessment roll by the assessing officer and taxed at the same rate of taxation as other taxable property for the year or years for which the property was exempted to the owner at the time of the omission unless the owner or person entitled to possession of the products, materials, or goods is a resident of, or authorized to do business in, this state and files with the assessing officer, with whom statements of taxable property are required to be filed, a statement under oath that the products, materials, or goods are not for sale or use in this state and will be shipped to a point or points outside this state. If a person, firm, or corporation claims exemption by filing a sworn statement, the person, firm, or corporation shall append to the statement of taxable property required to be filed in the immediately succeeding year or, if a statement of taxable property is not filed for the immediately succeeding year, to a sworn statement filed on a form required by the assessing officer, a complete list of the property for which the exemption was claimed with a statement of the manner of shipment and of the point or points to which the products, materials, or goods were shipped from the public warehouse, dock, or port facility. The assessing officer shall assess the products, materials, or goods not shipped to a point or points outside this state upon the immediately succeeding assessment roll or on a subsequent assessment roll and the products, materials, or goods shall be taxed at the same rate of taxation as other taxable property for the year or years for which the property was exempted to the owner at the time of the omission. The records, accounts, and books of warehouses, docks, or port facilities, individuals, partnerships, corporations, owners, or those in possession of tangible personal property shall be open to and available for inspection, examination, or auditing by assessing officers. A warehouse, dock, port facility, individual, partnership, corporation, owner, or person in possession of tangible personal property shall report within 90 days after shipment of products, materials, or goods in transit, for which an exemption under this section was claimed or granted, the destination of shipments or parts of shipments and the cost value of those shipments or parts of shipments to the assessing officer. A warehouse, dock, port facility, individual, partnership, corporation, or owner is subject to a fine of \$100.00 for each failure to report the destination and cost value of shipments or parts of shipments as required in this subdivision. A person, firm, individual, partnership, corporation, or owner failing to report products, materials, or goods located in a warehouse, dock, or port facility to the assessing officer is subject to a fine of \$100.00 and a penalty of 50% of the final amount of taxes found to be assessable for the year on property not reported, the assessable taxes and penalty to be spread on a subsequent assessment roll in the same manner as general taxes on personal property. For the purpose of this subdivision, a public warehouse, dock, or port facility means a warehouse, dock, or port facility owned or operated by a person, firm, or corporation engaged in the business of storing products, materials, or goods for hire for profit who issues a schedule of rates for storage of the products, materials, or goods and who issues warehouse receipts pursuant to 1909 PA 303, MCL 443.50 to 443.55. A United States

customs port of entry bonded warehouse means a customs warehouse within a classification designated by 19 C.F.R. 19.1 and that is located in a port of entry, as defined by 19 C.F.R. 101.1. A portion of a public warehouse, United States customs port of entry bonded warehouse, dock, or port facility leased to a tenant or a portion of any premises owned or leased or operated by a consignor or consignee or an affiliate or subsidiary of the consignor or consignee is not a public warehouse, dock, or port facility.

(m) Personal property owned by a bank or trust company organized under the laws of this state, a national banking association, or an incorporated bank holding company as defined in section 2 of the bank holding company act of 1956, chapter 240, 70 Stat. 133, 12 U.S.C. 1841, that controls a bank, national banking association, trust company, or industrial bank subsidiary located in this state. Buildings owned by a state or national bank, trust company, or incorporated bank holding company and situated upon lands of which the state or national bank, trust company, or incorporated bank holding company is not the owner of the fee are considered real property and are not exempt from taxation. Personal property owned by a state or national bank, trust company, or incorporated bank holding company that is leased, loaned, or otherwise made available to and used by a private individual, association, or corporation in connection with a business conducted for profit is not exempt from taxation.

(n) Farm products, processed or otherwise, the ultimate use of which is for human or animal consumption as food, except wine, beer, and other alcoholic beverages regularly placed in storage in a public warehouse, dock, or port facility while in storage are considered in transit and only temporarily at rest and are not subject to personal property taxation. The assessing officer is the determining authority as to what constitutes, is defined as, or classified as, farm products as used in this subdivision. The records, accounts, and books of warehouses, docks, or port facilities, individuals, partnerships, corporations, owners, or those in possession of farm products shall be open to and available for inspection, examination, or auditing by assessing officers.

(o) Sugar, in solid or liquid form, produced from sugar beets, dried beet pulp, and beet molasses if owned or held by processors.

(p) The personal property of a parent cooperative preschool. As used in this subdivision and section 7z, “parent cooperative preschool” means a nonprofit, nondiscriminatory educational institution maintained as a community service and administered by parents of children currently enrolled in the preschool, that provides an educational and developmental program for children younger than compulsory school age, that provides an educational program for parents, including active participation with children in preschool activities, that is directed by qualified preschool personnel, and that is licensed under 1973 PA 116, MCL 722.111 to 722.128.

(q) All equipment used exclusively in wood harvesting, but not including portable or stationary sawmills or other equipment used in secondary processing operations. As used in this subdivision, “wood harvesting” means clearing land for forest management purposes, planting trees, all forms of cutting or chipping trees, and loading trees on trucks for removal from the harvest area.

(r) Liquefied petroleum gas tanks located on residential or agricultural property used to store liquefied petroleum gas for residential or agricultural property use.

(s) Water conditioning systems used for a residential dwelling.

(t) For taxes levied after December 31, 2000, aircraft excepted from the registration provisions of the aeronautics code of the state of Michigan, 1945 PA 327, MCL 259.1 to 259.208, and all other aircraft operating under the provisions of a certificate issued under 14 C.F.R. part 121, and all spare parts for such aircraft.

211.24c Notice of increase in tentative state equalized valuation or tentative taxable value; contents; required information and forms; addressing and mailing assessment notice; effect of failure to send or receive assessment notice; calculation of tentative equalized valuation; model assessment notice form; statement; separate statement.

Sec. 24c. (1) The assessor shall give to each owner or person or persons listed on the assessment roll of the property a notice by first-class mail of an increase in the tentative state equalized valuation or the tentative taxable value for the year. The notice shall specify each parcel of property, the tentative taxable value for the current year, and the taxable value for the immediately preceding year. The notice shall also specify the time and place of the meeting of the board of review. The notice shall also specify the difference between the property's tentative taxable value in the current year and the property's taxable value in the immediately preceding year.

(2) The notice shall include, in addition to the information required by subsection (1), all of the following:

- (a) The state equalized valuation for the immediately preceding year.
- (b) The tentative state equalized valuation for the current year.
- (c) The net change between the tentative state equalized valuation for the current year and the state equalized valuation for the immediately preceding year.
- (d) The classification of the property as defined by section 34c.
- (e) The inflation rate for the immediately preceding year as defined in section 34d.
- (f) A statement provided by the state tax commission explaining the relationship between state equalized valuation and taxable value. If the assessor believes that a transfer of ownership has occurred in the immediately preceding year, the statement shall state that the ownership was transferred and that the taxable value of that property is the same as the state equalized valuation of that property.

(3) When required by the income tax act of 1967, 1967 PA 281, MCL 206.1 to 206.532, the assessment notice shall include or be accompanied by information or forms prescribed by the income tax act of 1967, 1967 PA 281, MCL 206.1 to 206.532.

(4) The assessment notice shall be addressed to the owner according to the records of the assessor and mailed not less than 10 days before the meeting of the board of review. The failure to send or receive an assessment notice does not invalidate an assessment roll or an assessment on that property.

(5) The tentative state equalized valuation shall be calculated by multiplying the assessment by the tentative equalized valuation multiplier. If the assessor has made assessment adjustments that would have changed the tentative multiplier, the assessor may recalculate the multiplier for use in the notice.

(6) The state tax commission shall prepare a model assessment notice form that shall be made available to local units of government.

(7) Beginning in 1995 through 2003, the assessment notice under subsection (1) shall include the following statement:

“If you purchased your homestead after May 1 last year, to claim the homestead exemption, if you have not already done so, you are required to file an affidavit before May 1.”

(8) Beginning in 2004, the assessment notice under subsection (1) shall include the following statement:

“If you purchased your principal residence after December 31 last year, to claim the principal residence exemption for next year, if you have not already done so, you are required to file an affidavit on or before December 31 this year.”

(9) For taxes levied after December 31, 2003, the assessment notice under subsection (1) shall separately state the state equalized valuation and taxable value for any leasehold improvements.

211.27d Report by county equalization director.

Sec. 27d. Not later than the fourth Monday in June in each year, the county equalization director for each county shall report all of the following to the state tax commission on a form prepared by the state tax commission:

(a) Total taxable value of all property in the county as of the fourth Monday in May in that year.

(b) Taxable value for each separately equalized class of property.

(c) Total taxable value of all property in the county for which a principal residence exemption is granted under section 7cc or a qualified agricultural property exemption is granted under section 7ee.

(d) Total taxable value of all property in the county for which a principal residence exemption has not been granted under section 7cc and a qualified agricultural property exemption has not been granted under section 7ee.

211.120 Claim for exemption; prohibited conduct; violations; penalties; enforcement; applicability of penalty provisions.

Sec. 120. (1) A person claiming an exemption under section 7cc shall not do any of the following:

(a) Make a false or fraudulent affidavit claiming an exemption or a false statement on an affidavit claiming an exemption.

(b) Aid, abet, or assist another in an attempt to wrongfully obtain an exemption.

(c) Make or permit to be made for himself or herself or for any other person a false affidavit claiming an exemption or a false statement on an affidavit claiming an exemption, either in whole or in part.

(d) Fail to rescind an exemption after the property subject to that exemption is no longer a principal residence as defined in section 7dd.

(2) A person who violates a provision of subsection (1) with the intent to wrongfully obtain or attempt to obtain an exemption under section 7cc is guilty of a misdemeanor punishable by imprisonment of not more than 1 year and punishable by a fine of not more than \$5,000.00 or public service of not more than 1,500 hours, or both.

(3) In addition to the penalties provided in subsection (2), a person who knowingly swears to or verifies an affidavit claiming an exemption under section 7cc, or an affidavit claiming any exemption under section 7cc that contains a false or fraudulent statement, with the intent to aid, abet, or assist in defrauding this state or a political subdivision of this state, is guilty of perjury, a misdemeanor punishable by imprisonment of not more than 1 year and punishable by a fine of not more than \$5,000.00 or public service of not more than 1,500 hours, or both.

(4) A person who does not violate a provision of subsection (1), but who knowingly violates any other provision of this act with the intent to defraud this state or a political subdivision of this state, is guilty of a misdemeanor punishable by a fine of not more than \$1,000.00 or public service of not more than 500 hours, or both.

(5) The attorney general and the prosecuting attorney of each county of this state have concurrent power to enforce this act.

(6) The penalty provisions set forth in subsections (2), (3), and (4) do not apply to a violation of subsection (1) or any other provision of this act occurring before December 31, 1995.

Effective date.

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

Retroactivity and effectiveness of MCL 211.9.

Enacting section 2. Section 9(t) of the general property tax act, 1893 PA 206, MCL 211.9, as added by this amendatory act is retroactive and is effective for taxes levied after December 31, 2000.

Conditional effective date.

Enacting section 3. This amendatory act does not take effect unless all of the following bills of the 92nd Legislature are enacted into law:

- (a) Senate Bill No. 129.
- (b) Senate Bill No. 130.
- (c) Senate Bill No. 131.
- (d) Senate Bill No. 132.
- (e) Senate Bill No. 134.
- (f) Senate Bill No. 135.
- (g) House Bill No. 4192.

This act is ordered to take immediate effect.

Approved July 31, 2003.

Filed with Secretary of State August 1, 2003.

Compiler's note: The bills referred to in enacting section 3 were enacted into law as follows:

Senate Bill No. 129 was filed with the Secretary of State August 1, 2003, and became P.A. 2003, No. 126, Eff. Jan. 1, 2004.
Senate Bill No. 130 was filed with the Secretary of State August 1, 2003, and became P.A. 2003, No. 127, Eff. Jan. 1, 2004.
Senate Bill No. 131 was filed with the Secretary of State August 1, 2003, and became P.A. 2003, No. 128, Eff. Jan. 1, 2004.
Senate Bill No. 132 was filed with the Secretary of State August 1, 2003, and became P.A. 2003, No. 129, Eff. Jan. 1, 2004.
Senate Bill No. 134 was filed with the Secretary of State August 1, 2003, and became P.A. 2003, No. 141, Eff. Jan. 1, 2004.
Senate Bill No. 135 was filed with the Secretary of State August 1, 2003, and became P.A. 2003, No. 130, Eff. Jan. 1, 2004.
House Bill No. 4192 was filed with the Secretary of State August 1, 2003, and became P.A. 2003, No. 131, Eff. Jan. 1, 2004.

[No. 141]

(SB 134)

AN ACT to amend 1979 PA 94, entitled "An act to make appropriations to aid in the support of the public schools and the intermediate school districts of the state; to make appropriations for certain other purposes relating to education; to provide for the disbursement of the appropriations; to supplement the school aid fund by the levy and

collection of certain taxes; to authorize the issuance of certain bonds and provide for the security of those bonds; to prescribe the powers and duties of certain state departments, the state board of education, and certain other boards and officials; to prescribe penalties; and to repeal acts and parts of acts,” by amending section 20 (MCL 388.1620), as amended by 2002 PA 521.

The People of the State of Michigan enact:

388.1620 Foundation allowance per membership pupil; payments to districts, public school academies, and university schools; definitions.

Sec. 20. (1) For 2001-2002, the basic foundation allowance is \$6,300.00 per membership pupil. For 2002-2003 and for 2003-2004, the basic foundation allowance is \$6,700.00 per membership pupil.

(2) The amount of each district’s foundation allowance shall be calculated as provided in this section, using a basic foundation allowance in the amount specified in subsection (1).

(3) Except as otherwise provided in this section, the amount of a district’s foundation allowance shall be calculated as follows, using in all calculations the total amount of the district’s foundation allowance as calculated before any proration:

(a) Except as otherwise provided in this subsection, for a district that in the immediately preceding state fiscal year had a foundation allowance in an amount at least equal to the amount of the basic foundation allowance for the immediately preceding state fiscal year, the district shall receive a foundation allowance in an amount equal to the sum of the district’s foundation allowance for the immediately preceding state fiscal year plus the dollar amount of the adjustment from the immediately preceding state fiscal year to the current state fiscal year in the basic foundation allowance. However, for 2002-2003, the foundation allowance for a district under this subdivision is an amount equal to the sum of the district’s foundation allowance for the immediately preceding state fiscal year plus \$200.00.

(b) For a district that in the 1994-95 state fiscal year had a foundation allowance greater than \$6,500.00, the district’s foundation allowance is an amount equal to the sum of the district’s foundation allowance for the immediately preceding state fiscal year plus the lesser of the increase in the basic foundation allowance for the current state fiscal year, as compared to the immediately preceding state fiscal year, or the product of the district’s foundation allowance for the immediately preceding state fiscal year times the percentage increase in the United States consumer price index in the calendar year ending in the immediately preceding fiscal year as reported by the May revenue estimating conference conducted under section 367b of the management and budget act, 1984 PA 431, MCL 18.1367b. For 2002-2003, for a district that in the 1994-95 state fiscal year had a foundation allowance greater than \$6,500.00, the district’s foundation allowance is an amount equal to the sum of the district’s foundation allowance for the immediately preceding state fiscal year plus the lesser of \$200.00 or the product of the district’s foundation allowance for the immediately preceding state fiscal year times the percentage increase in the United States consumer price index in the calendar year ending in the immediately preceding fiscal year as reported by the May revenue estimating conference conducted under section 367b of the management and budget act, 1984 PA 431, MCL 18.1367b.

(c) For a district that has a foundation allowance that is not a whole dollar amount, the district’s foundation allowance shall be rounded up to the nearest whole dollar.

(d) Beginning in 2002-2003, for a district that receives a payment under former section 22c for 2001-2002, the district's 2001-2002 foundation allowance shall be considered to have been an amount equal to the sum of the district's actual 2001-2002 foundation allowance as otherwise calculated under this section plus the per pupil amount of the district's equity payment for 2001-2002 under former section 22c.

(4) Except as otherwise provided in this subsection, the state portion of a district's foundation allowance is an amount equal to the district's foundation allowance or \$6,500.00, whichever is less, minus the difference between the product of the taxable value per membership pupil of all property in the district that is not a principal residence or qualified agricultural property times the lesser of 18 mills or the number of mills of school operating taxes levied by the district in 1993-94 and the quotient of the ad valorem property tax revenue of the district captured under 1975 PA 197, MCL 125.1651 to 125.1681, the tax increment finance authority act, 1980 PA 450, MCL 125.1801 to 125.1830, the local development financing act, 1986 PA 281, MCL 125.2151 to 125.2174, or the brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672, divided by the district's membership excluding special education pupils. For a district described in subsection (3)(b), the state portion of the district's foundation allowance is an amount equal to \$6,962.00 plus the difference between the district's foundation allowance for the current state fiscal year and the district's foundation allowance for 1998-99, minus the difference between the product of the taxable value per membership pupil of all property in the district that is not a principal residence or qualified agricultural property times the lesser of 18 mills or the number of mills of school operating taxes levied by the district in 1993-94 and the quotient of the ad valorem property tax revenue of the district captured under 1975 PA 197, MCL 125.1651 to 125.1681, the tax increment finance authority act, 1980 PA 450, MCL 125.1801 to 125.1830, the local development financing act, 1986 PA 281, MCL 125.2151 to 125.2174, or the brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672, divided by the district's membership excluding special education pupils. For a district that has a millage reduction required under section 31 of article IX of the state constitution of 1963, the state portion of the district's foundation allowance shall be calculated as if that reduction did not occur. The \$6,500.00 amount prescribed in this subsection shall be adjusted each year by an amount equal to the dollar amount of the difference between the basic foundation allowance for the current state fiscal year and \$5,000.00. However, beginning in 2002-2003, the \$6,500.00 amount prescribed in this subsection shall be adjusted each year by an amount equal to the dollar amount of the difference between the basic foundation allowance for the current state fiscal year and \$5,000.00, minus \$200.00.

(5) The allocation calculated under this section for a pupil shall be based on the foundation allowance of the pupil's district of residence. However, for a pupil enrolled pursuant to section 105 or 105c in a district other than the pupil's district of residence, the allocation calculated under this section shall be based on the lesser of the foundation allowance of the pupil's district of residence or the foundation allowance of the educating district. For a pupil in membership in a K-5, K-6, or K-8 district who is enrolled in another district in a grade not offered by the pupil's district of residence, the allocation calculated under this section shall be based on the foundation allowance of the educating district if the educating district's foundation allowance is greater than the foundation allowance of the pupil's district of residence. The calculation under this subsection shall take into account a district's per pupil allocation under section 20j(2).

(6) Subject to subsection (7) and section 22b(3) and except as otherwise provided in this subsection, for pupils in membership, other than special education pupils, in a public school academy or a university school, the allocation calculated under this section is an

amount per membership pupil other than special education pupils in the public school academy or university school equal to the sum of the local school operating revenue per membership pupil other than special education pupils for the district in which the public school academy or university school is located and the state portion of that district's foundation allowance, or the sum of the basic foundation allowance under subsection (1) plus \$500.00, whichever is less. However, beginning in 2002-2003, this \$500.00 amount shall instead be \$300.00. Notwithstanding section 101(2), for a public school academy that begins operations in 2001-2002, 2002-2003, or 2003-2004, as applicable, after the pupil membership count day, the amount per membership pupil calculated under this subsection shall be adjusted by multiplying that amount per membership pupil by the number of hours of pupil instruction provided by the public school academy after it begins operations, as determined by the department, divided by the minimum number of hours of pupil instruction required under section 101(3). The result of this calculation shall not exceed the amount per membership pupil otherwise calculated under this subsection.

(7) If more than 25% of the pupils residing within a district are in membership in 1 or more public school academies located in the district, then the amount per membership pupil calculated under this section for a public school academy located in the district shall be reduced by an amount equal to the difference between the product of the taxable value per membership pupil of all property in the district that is not a principal residence or qualified agricultural property times the lesser of 18 mills or the number of mills of school operating taxes levied by the district in 1993-94 and the quotient of the ad valorem property tax revenue of the district captured under 1975 PA 197, MCL 125.1651 to 125.1681, the tax increment finance authority act, 1980 PA 450, MCL 125.1801 to 125.1830, the local development financing act, 1986 PA 281, MCL 125.2151 to 125.2174, or the brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672, divided by the district's membership excluding special education pupils, in the school fiscal year ending in the current state fiscal year, calculated as if the resident pupils in membership in 1 or more public school academies located in the district were in membership in the district. In order to receive state school aid under this act, a district described in this subsection shall pay to the authorizing body that is the fiscal agent for a public school academy located in the district for forwarding to the public school academy an amount equal to that local school operating revenue per membership pupil for each resident pupil in membership other than special education pupils in the public school academy, as determined by the department.

(8) If a district does not receive an amount calculated under subsection (9); if the number of mills the district may levy on a principal residence and qualified agricultural property under section 1211(1) of the revised school code, MCL 380.1211, is 0.5 mills or less; and if the district elects not to levy those mills, the district instead shall receive a separate supplemental amount calculated under this subsection in an amount equal to the amount the district would have received had it levied those mills, as determined by the department of treasury. A district shall not receive a separate supplemental amount calculated under this subsection for a fiscal year unless in the calendar year ending in the fiscal year the district levies 18 mills or the number of mills of school operating taxes levied by the district in 1993, whichever is less, on property that is not a principal residence or qualified agricultural property.

(9) For a district that had combined state and local revenue per membership pupil in the 1993-94 state fiscal year of more than \$6,500.00 and that had fewer than 350 pupils in membership, if the district elects not to reduce the number of mills from which a principal residence and qualified agricultural property are exempt and not to levy school operating taxes on a principal residence and qualified agricultural property as provided in section 1211(1)

of the revised school code, MCL 380.1211, and not to levy school operating taxes on all property as provided in section 1211(2) of the revised school code, MCL 380.1211, there is calculated under this subsection for 1994-95 and each succeeding fiscal year a separate supplemental amount in an amount equal to the amount the district would have received per membership pupil had it levied school operating taxes on a principal residence and qualified agricultural property at the rate authorized for the district under section 1211(1) of the revised school code, MCL 380.1211, and levied school operating taxes on all property at the rate authorized for the district under section 1211(2) of the revised school code, MCL 380.1211, as determined by the department of treasury. If in the calendar year ending in the fiscal year a district does not levy 18 mills or the number of mills of school operating taxes levied by the district in 1993, whichever is less, on property that is not a principal residence or qualified agricultural property, the amount calculated under this subsection will be reduced by the same percentage as the millage actually levied compares to the 18 mills or the number of mills levied in 1993, whichever is less.

(10) For a district that is formed or reconfigured after June 1, 2002 by consolidation of 2 or more districts or by annexation, the resulting district's foundation allowance under this section beginning after the effective date of the consolidation or annexation shall be the lesser of an amount equal to the sum of the highest foundation allowance, as calculated under this section, among the original or affected districts plus \$50.00 or an amount equal to \$6,500.00 adjusted by the dollar amount of the difference between the basic foundation allowance under this section for the current state fiscal year and \$5,000.00. However, beginning in 2002-2003, the \$6,500.00 amount prescribed in this subsection shall be adjusted each year by an amount equal to the dollar amount of the difference between the basic foundation allowance for the current state fiscal year and \$5,000.00, minus \$200.00.

(11) Each fraction used in making calculations under this section shall be rounded to the fourth decimal place and the dollar amount of an increase in the basic foundation allowance shall be rounded to the nearest whole dollar.

(12) State payments related to payment of the foundation allowance for a special education pupil are not calculated under this section but are instead calculated under section 51a.

(13) To assist the legislature in determining the basic foundation allowance for the subsequent state fiscal year, each revenue estimating conference conducted under section 367b of the management and budget act, 1984 PA 431, MCL 18.1367b, shall calculate a pupil membership factor, a revenue adjustment factor, and an index as follows:

(a) The pupil membership factor shall be computed by dividing the estimated membership in the school year ending in the current state fiscal year, excluding intermediate district membership, by the estimated membership for the school year ending in the subsequent state fiscal year, excluding intermediate district membership. If a consensus membership factor is not determined at the revenue estimating conference, the principals of the revenue estimating conference shall report their estimates to the house and senate subcommittees responsible for school aid appropriations not later than 7 days after the conclusion of the revenue conference.

(b) The revenue adjustment factor shall be computed by dividing the sum of the estimated total state school aid fund revenue for the subsequent state fiscal year plus the estimated total state school aid fund revenue for the current state fiscal year, adjusted for any change in the rate or base of a tax the proceeds of which are deposited in that fund and excluding money transferred into that fund from the countercyclical budget and economic stabilization fund under section 353e of the management and budget act, 1984 PA 431, MCL 18.1353e, by the sum of the estimated total school aid fund revenue for the

current state fiscal year plus the estimated total state school aid fund revenue for the immediately preceding state fiscal year, adjusted for any change in the rate or base of a tax the proceeds of which are deposited in that fund. If a consensus revenue factor is not determined at the revenue estimating conference, the principals of the revenue estimating conference shall report their estimates to the house and senate subcommittees responsible for school aid appropriations not later than 7 days after the conclusion of the revenue conference.

(c) The index shall be calculated by multiplying the pupil membership factor by the revenue adjustment factor. If a consensus index is not determined at the revenue estimating conference, the principals of the revenue estimating conference shall report their estimates to the house and senate subcommittees responsible for school aid appropriations not later than 7 days after the conclusion of the revenue conference.

(14) If the principals at the revenue estimating conference reach a consensus on the index described in subsection (13)(c), the basic foundation allowance for the subsequent state fiscal year shall be at least the amount of that consensus index multiplied by the basic foundation allowance specified in subsection (1).

(15) If at the January revenue estimating conference it is estimated that pupil membership, excluding intermediate district membership, for the subsequent state fiscal year will be greater than 101% of the pupil membership, excluding intermediate district membership, for the current state fiscal year, then it is the intent of the legislature that the executive budget proposal for the school aid budget for the subsequent state fiscal year include a general fund/general purpose allocation sufficient to support the membership in excess of 101% of the current year pupil membership.

(16) For a district that had combined state and local revenue per membership pupil in the 1993-94 state fiscal year of more than \$6,500.00, that had fewer than 7 pupils in membership in the 1993-94 state fiscal year, that has at least 1 child educated in the district in the current state fiscal year, and that levies the number of mills of school operating taxes authorized for the district under section 1211 of the revised school code, MCL 380.1211, a minimum amount of combined state and local revenue shall be calculated for the district as provided under this subsection. The minimum amount of combined state and local revenue for 1999-2000 shall be \$67,000.00 plus the district's additional expenses to educate pupils in grades 9 to 12 educated in other districts as determined and allowed by the department. The minimum amount of combined state and local revenue under this subsection, before adding the additional expenses, shall increase each fiscal year by the same percentage increase as the percentage increase in the basic foundation allowance from the immediately preceding fiscal year to the current fiscal year. The state portion of the minimum amount of combined state and local revenue under this subsection shall be calculated by subtracting from the minimum amount of combined state and local revenue under this subsection the sum of the district's local school operating revenue and an amount equal to the product of the sum of the state portion of the district's foundation allowance plus the amount calculated under section 20j times the district's membership. As used in this subsection, "additional expenses" means the district's expenses for tuition or fees, not to exceed \$6,500.00 as adjusted each year by an amount equal to the dollar amount of the difference between the basic foundation allowance for the current state fiscal year and \$5,000.00, plus a room and board stipend not to exceed \$10.00 per school day for each pupil in grades 9 to 12 educated in another district, as approved by the department. However, beginning in 2002-2003, the \$6,500.00 amount prescribed in this subsection shall be adjusted each year by an amount equal to the dollar amount of the difference between the basic foundation allowance for the current state fiscal year and \$5,000.00, minus \$200.00.

(17) For a district in which 7.75 mills levied in 1992 for school operating purposes in the 1992-93 school year were not renewed in 1993 for school operating purposes in the 1993-94 school year, the district's combined state and local revenue per membership pupil shall be recalculated as if that millage reduction did not occur and the district's foundation allowance shall be calculated as if its 1994-95 foundation allowance had been calculated using that recalculated 1993-94 combined state and local revenue per membership pupil as a base. A district is not entitled to any retroactive payments for fiscal years before 2000-2001 due to this subsection.

(18) For a district in which an industrial facilities exemption certificate that abated taxes on property with a state equalized valuation greater than the total state equalized valuation of the district at the time the certificate was issued or \$700,000,000.00, whichever is greater, was issued under 1974 PA 198, MCL 207.551 to 207.572, before the calculation of the district's 1994-95 foundation allowance, the district's foundation allowance for 2002-2003 is an amount equal to the sum of the district's foundation allowance for 2002-2003, as otherwise calculated under this section, plus \$250.00.

(19) For a district that received a grant under former section 32e for 2001-2002, the district's foundation allowance for 2002-2003 shall be adjusted to be an amount equal to the sum of the district's foundation allowance, as otherwise calculated under this section, plus the quotient of the amount of the grant award to the district for 2001-2002 under former section 32e divided by the district's membership for 2001-2002. A district qualifying for a foundation allowance adjustment under this section shall use the funds resulting from this adjustment for purposes allowable under former section 32e as in effect for 2001-2002.

(20) For a district that is a qualifying school district with a school reform board in place under part 5a of the revised school code, MCL 380.371 to 380.376, the district's foundation allowance for 2002-2003 shall be adjusted to be an amount equal to the sum of the district's foundation allowance, as otherwise calculated under this section, plus the quotient of \$15,000,000.00 divided by the district's membership for 2002-2003. If a district ceases to meet the requirements of this subsection, the department shall adjust the district's foundation allowance in effect at that time based on a 2002-2003 foundation allowance for the district that does not include the 2002-2003 adjustment under this subsection.

(21) Payments to districts, university schools, or public school academies shall not be made under this section. Rather, the calculations under this section shall be used to determine the amount of state payments under section 22b.

(22) If an amendment to section 2 of article VIII of the state constitution of 1963 allowing state aid to some or all nonpublic schools is approved by the voters of this state, each foundation allowance or per pupil payment calculation under this section may be reduced.

(23) As used in this section:

(a) "Combined state and local revenue" means the aggregate of the district's state school aid received by or paid on behalf of the district under this section and the district's local school operating revenue.

(b) "Combined state and local revenue per membership pupil" means the district's combined state and local revenue divided by the district's membership excluding special education pupils.

(c) "Current state fiscal year" means the state fiscal year for which a particular calculation is made.

(d) “Immediately preceding state fiscal year” means the state fiscal year immediately preceding the current state fiscal year.

(e) “Local school operating revenue” means school operating taxes levied under section 1211 of the revised school code, MCL 380.1211.

(f) “Local school operating revenue per membership pupil” means a district’s local school operating revenue divided by the district’s membership excluding special education pupils.

(g) “Membership” means the definition of that term under section 6 as in effect for the particular fiscal year for which a particular calculation is made.

(h) “Principal residence” and “qualified agricultural property” mean those terms as defined in section 7dd of the general property tax act, 1893 PA 206, MCL 211.7dd.

(i) “School operating purposes” means the purposes included in the operation costs of the district as prescribed in sections 7 and 18.

(j) “School operating taxes” means local ad valorem property taxes levied under section 1211 of the revised school code, MCL 380.1211, and retained for school operating purposes.

(k) “Taxable value per membership pupil” means taxable value, as certified by the department of treasury, for the calendar year ending in the current state fiscal year divided by the district’s membership excluding special education pupils for the school year ending in the current state fiscal year.

Effective date.

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

Conditional effective date.

Enacting section 2. This amendatory act does not take effect unless Senate Bill No. 133 of the 92nd Legislature is enacted into law.

This act is ordered to take immediate effect.

Approved July 31, 2003.

Filed with Secretary of State August 1, 2003.

Compiler’s note: Senate Bill No. 133, referred to in enacting section 2, was filed with the Secretary of State August 1, 2003, and became P.A. 2003, No. 140, Eff. Jan. 1, 2004.

[No. 142]

(HB 4154)

AN ACT to amend 1949 PA 300, entitled “An act to provide for the registration, titling, sale, transfer, and regulation of certain vehicles operated upon the public highways of this state or any other place open to the general public or generally accessible to motor vehicles and distressed vehicles; to provide for the licensing of dealers; to provide for the examination, licensing, and control of operators and chauffeurs; to provide for the giving of proof of financial responsibility and security by owners and operators of vehicles; to provide for the imposition, levy, and collection of specific taxes on vehicles, and the levy and collection of sales and use taxes, license fees, and permit fees; to provide for the regulation and use of streets and highways; to create certain funds; to provide penalties

and sanctions for a violation of this act; to provide for civil liability of owners and operators of vehicles and service of process on residents and nonresidents; to provide for the levy of certain assessments; to provide for the enforcement of this act; to provide for the creation of and to prescribe the powers and duties of certain state and local agencies; to impose liability upon the state or local agencies; to provide appropriations for certain purposes; to repeal all other acts or parts of acts inconsistent with this act or contrary to this act; and to repeal certain parts of this act on a specific date,” by amending sections 719 and 720 (MCL 257.719 and 257.720), section 719 as amended by 2002 PA 453 and section 720 as amended by 2002 PA 535.

The People of the State of Michigan enact:

257.719 Height of vehicle; liability for damage to bridge or viaduct; normal length maximum; prohibitions; connecting assemblies and lighting devices; gross weight; violation as civil infraction; applicability of subsections (2)(a) and (3)(b); definitions.

Sec. 719. (1) A vehicle unloaded or with load shall not exceed a height of 13 feet 6 inches. The owner of a vehicle that collides with a lawfully established bridge or viaduct is liable for all damage and injury resulting from a collision caused by the height of the vehicle, whether the clearance of the bridge or viaduct is posted or not.

(2) Lengths described in this subsection shall be known as the normal length maximum. Except as provided in subsection (3), the following vehicles and combinations of vehicles shall not be operated on a highway in this state in excess of these lengths:

(a) Subject to subsection (9), any single vehicle: 40 feet; a crib vehicle on which logs are loaded lengthwise of the vehicle: 42.5 feet; any single bus or motor home: 45 feet.

(b) Articulated buses: 65 feet.

(c) Notwithstanding any other provision of this section, a combination of a truck and semitrailer or trailer, or a truck tractor, semitrailer, and trailer, or truck tractor and semitrailer or trailer, designed and used exclusively to transport assembled motor vehicles or bodies, recreational vehicles, or boats, that does not exceed a length of 65 feet. Stinger-steered combinations shall not exceed a length of 75 feet. The load on the combinations of vehicles described in this subdivision may extend an additional 3 feet beyond the front and 4 feet beyond the rear of the combinations of vehicles. Retractable extensions used to support and secure the load that do not extend beyond the allowable overhang for the front and rear shall not be included in determining length of a loaded vehicle or vehicle combination.

(d) Truck tractor and semitrailer combinations: no overall length, the semitrailer not to exceed 50 feet.

(e) Truck and semitrailer or trailer: 59 feet.

(f) Truck tractor, semitrailer, and trailer, or truck tractor and 2 semitrailers: 59 feet.

(g) More than 1 motor vehicle, wholly or partially assembled, in combination, utilizing 1 tow bar or 3 saddle mounts with full mount mechanisms and utilizing the motive power of 1 of the vehicles in combination, not to exceed 55 feet.

(3) Notwithstanding subsection (2), the following vehicles and combinations of vehicles shall not be operated on a designated highway of this state in excess of these lengths:

(a) Truck tractor and semitrailer combinations: no overall length limit, the semitrailer not to exceed 53 feet. All semitrailers longer than 50 feet shall have a wheelbase of 37.5 to 40.5 feet plus or minus 0.5 feet, measured from the kingpin coupling to the center of the

rear axle or the center of the rear axle assembly. Before April 1, 2003, a semitrailer with a length longer than 50 feet shall not operate with more than 2 axles on the semitrailer. After March 31, 2003, a semitrailer with a length longer than 50 feet shall not operate with more than 3 axles on the semitrailer. City, village, or county authorities may prohibit stops of vehicles with a semitrailer longer than 50 feet within their jurisdiction unless the stop occurs along appropriately designated routes, or is necessary for emergency purposes or to reach shippers, receivers, warehouses, and terminals along designated routes.

(b) Truck and semitrailer or trailer combinations: 65 feet, except that a person may operate a truck and semitrailer or trailer designed and used to transport saw logs, pulpwood, and tree length poles that does not exceed an overall length of 70 feet or a crib vehicle and semitrailer or trailer designed and used to transport saw logs that does not exceed an overall length of 75 feet. A crib vehicle and semitrailer or trailer designed to and used to transport saw logs shall not exceed a gross vehicle weight of 164,000 pounds. A person may operate a truck tractor and semitrailer designed and used to transport saw logs, pulpwood, and tree length wooden poles with a load overhang to the rear of the semitrailer which does not exceed 6 feet if the semitrailer does not exceed 50 feet in length.

(c) Truck tractor and 2 semitrailers, or truck tractor, semitrailer, and trailer combinations: no overall length limit, if the length of each semitrailer or trailer does not exceed 28-1/2 feet each, or the overall length of the semitrailer and trailer, or 2 semitrailers as measured from the front of the first towed unit to the rear of the second towed unit while the units are coupled together does not exceed 58 feet.

(d) More than 1 motor vehicle, wholly or partially assembled, in combination, utilizing 1 tow bar or 3 saddle mounts with full mount mechanisms and utilizing the motive power of 1 of the vehicles in combination, not to exceed 75 feet.

(4) The following combinations and movements are prohibited:

(a) A truck shall not haul more than 1 trailer or semitrailer, and a truck tractor shall not haul more than 2 semitrailers or 1 semitrailer and 1 trailer in combination at any 1 time, except that a farm tractor may haul 2 wagons or trailers, or garbage and refuse haulers may, during daylight hours, haul up to 4 trailers for garbage and refuse collection purposes, not exceeding in any combination a total length of 55 feet and at a speed limit not to exceed 15 miles per hour.

(b) A combination of vehicles or a vehicle shall not have more than 11 axles, except when operating under a valid permit issued by the state transportation department or a local authority with respect to a highway under its jurisdiction.

(c) Any combination of vehicles not specifically authorized under this section is prohibited.

(d) A combination of 2 semitrailers pulled by a truck tractor, unless each semitrailer uses a fifth wheel connecting assembly which conforms to the requirements of the motor carrier safety act of 1963, 1963 PA 181, MCL 480.11 to 480.22.

(e) A vehicle or a combination of vehicles shall not carry a load extending more than 3 feet beyond the front of the lead vehicle.

(f) A vehicle described in subsections (2)(e) and (3)(d) employing triple saddle mounts unless all wheels that are in contact with the roadway have operating brakes.

(5) All combinations of vehicles under this section shall employ connecting assemblies and lighting devices that are in compliance with the motor carrier safety act of 1963, 1963 PA 181, MCL 480.11 to 480.22.

(6) The total gross weight of a truck tractor, semitrailer, and trailer combination or a truck tractor and 2 semitrailers combination that exceeds 59 feet in length shall not exceed a ratio of 400 pounds per engine net horsepower delivered to clutch or its equivalent specified in the handbook published by the society of automotive engineers, inc. (SAE), 1977 edition.

(7) A person who violates this section is responsible for a civil infraction. The owner of the vehicle may be charged with a violation of this section.

(8) The provisions in subsections (2)(a) and (3)(b) prescribing the length of a crib vehicle on which logs are loaded lengthwise does not apply unless section 127(d) of title 23 of the United States Code, 23 U.S.C. 127, is amended to allow crib vehicles carrying logs to be loaded as described in this section.

(9) As used in this section:

(a) “Designated highway” means a highway approved by the state transportation department or a local authority with respect to a highway under its jurisdiction.

(b) “Length” means the total length of a vehicle, or combination of vehicles, including any load the vehicle is carrying. Length does not include safety and energy conservation devices including, but not limited to, impact absorbing bumpers, rear view mirrors, turn signal lamps, marker lamps, steps and hand holds for entry and egress, flexible fender extensions, mud flaps, or splash and spray suppressant devices; load induced tire bulge; refrigeration or heating units; or air compressors attached to the vehicle. A safety or energy conservation device shall be excluded from a determination of length only if it is not designed or used for the carrying of cargo, freight, or equipment. Semitrailers and trailers shall be measured from the front vertical plane of the foremost transverse load supporting structure to the rearmost transverse load supporting structure.

(c) “Stinger-steered combinations” means a truck tractor and semitrailer combination in which the fifth wheel is located on a drop frame located behind and below the rearmost axle of the power unit.

257.720 Construction or loading of vehicles to prevent contents from escaping; exception; closing tailgates, faucets, and taps; exemption; proof of violation; loading of vehicles not completely enclosed; prima facie liability; conditions for carrying logs or tubular products; exceptions; front end loading device; violation; penalty; applicability of subsection (5)(e); definitions.

Sec. 720. (1) A person shall not drive or move a vehicle on a highway unless the vehicle is so constructed or loaded as to prevent its contents from dropping, sifting, leaking, blowing off, or otherwise escaping from the vehicle. This requirement does not apply to a vehicle transporting agricultural or horticultural products when hay, straw, silage, or residue from a product, but not including the product itself, or when materials such as water used to preserve and handle agricultural or horticultural products while in transportation, escape from the vehicle in an amount that does not interfere with other traffic on the highway. The tailgate, faucets, and taps on a vehicle shall be securely closed to prevent spillage during transportation whether the vehicle is loaded or empty, and the vehicle shall not have any holes or cracks through which material can escape. Any highway maintenance vehicle engaged in either ice or snow removal shall be exempt from this section.

(2) Actual spillage of material on the highway or proof of that spillage is not necessary to prove a violation of this section.

(3) A vehicle carrying a load, other than logs or tubular products, which is not completely enclosed shall meet either of the following requirements:

(a) Have the load covered with firmly secured canvas or a similar type of covering. A device used to comply with the requirement of this subdivision shall not exceed a width of 108 inches nor by design or use have the capability to carry cargo by itself.

(b) Have the load securely fastened to the body or the frame of the vehicle with binders of adequate number and of adequate breaking strength to prevent the dropping off or shifting of the load.

(4) A company or individual who loads or unloads a vehicle or causes it to be loaded or unloaded, with knowledge that it is to be driven on a public highway, in a manner so as to cause a violation of subsection (1) shall be prima facie liable for a violation of this section.

(5) A person shall not operate a motor vehicle carrying logs or tubular products on a highway unless the following conditions are met:

(a) If the logs or tubular products are loaded crosswise or at right angles to the side of the vehicle, the load of logs or tubular products shall be securely fastened to the body or frame of the vehicle with not less than 2 binders which are secured to the frame at each end of the load and pass over the load so that the frame and binders completely encircle the load.

(b) If the vehicle is a truck or trailer carrying logs which has a loading surface more than 33 feet in length and the logs are loaded crosswise or at right angles to the side of the vehicle, the vehicle shall be equipped with a center partition located approximately 1/2 the distance from the front to the rear of the loading surface of the truck or trailer. The center partition shall be either a center mounted hydraulic loader or a center set of stakes and shall be pinned, bolted, or otherwise securely fastened to the frame. The load shall be secured as required by subdivision (a) and, in addition, the 2 lengthwise tie downs shall be attached or threaded through the center partition at a level not less than 1 foot below the load height.

(c) If the logs or tubular products are loaded lengthwise of the vehicle, obliquely or parallel to the sides, with metal stakes and pockets, the load of logs or tubular products shall be secured as follows:

(i) With 2 tie downs from frame to frame for every tier.

(ii) So that not more than 1/2 the diameter of the top log or tubular product extends higher than the stake tops.

(iii) With 2 cross chains per tier if the load extends more than 5 feet above the loading surface.

(iv) So that every 10 linear feet has not less than 1 tie down from frame to frame.

(d) If the logs or tubular products are loaded lengthwise of the vehicle, obliquely or parallel to the sides, with permanent metal gusseted bunks, the load of logs or tubular products shall be secured as follows:

(i) With 2 tie downs from frame to frame for every tier.

(ii) So that not more than 1/2 the diameter of the top log extends higher than the stake tops.

(iii) So that every 10 linear feet has not less than 1 tie down from frame to frame.

(e) Subject to subsection (11), if the vehicle is a crib vehicle and the logs are loaded lengthwise of the vehicle, the logs shall be loaded and secured as follows:

(i) The vehicle must have sides, sideboards, or stakes; a front headboard, bulkhead, or frontgate; and a rear headboard, bulkhead, or endgate, each of which are strong enough and high enough to assure that the load will not shift upon or fall from the vehicle.

(ii) The sides, sideboards, headboard, bulkhead, or front- or rear-end gate that is in direct contact with the ends of the logs shall not have an aperture large enough to permit logs to pass through it.

(iii) There shall be a minimum of 2 stakes on each side of the vehicle per tier of logs.

(iv) Vehicles with permanent steel gusseted bunks do not require cross chains.

(v) Vehicles with steel stakes and pockets require cross chains for each tier if the load extends more than 5 feet above the loading surface.

(vi) Three additional lights are required on the upper rear of the vehicle.

(vii) Vehicles over 102 inches wide shall have lights placed at each stake along the longitudinal length of the vehicle.

(viii) Not more than 1/2 the diameter of the top logs shall extend higher than the stake tops when loaded.

(ix) Tie downs are not required if the following loading procedures are used:

(A) The distance between a tier of logs and a headboard, bulkhead, front- or rear-end gate, or another tier of logs does not allow a log to lose contact with a side stake if a log were to shift forward or backward.

(B) Each tier of logs shall be loaded to the same height from the stake tops to prevent movement.

(x) One tie down assembly that meets the requirements of this act and federal regulations is required for each tier of logs under the following conditions:

(A) There is a distance large enough between a tier of logs and a headboard, bulkhead, front- or rear-end gate, or another tier of logs to allow a log to lose contact with a side stake if a log were to shift forward or backward.

(B) Each tier of logs is not loaded to the same height from the stake tops to prevent movement.

(f) The tie downs, cross chains, stakes, and other materials used to secure loads of logs or tubular products as required under subdivisions (a) to (d) shall meet the following minimum requirements:

(i) Chain shall be of steel and shall be of a strength not less than 5/16 inch in diameter “transport”, which is embossed with a grade stamp representative of grade 70, or not less than 3/8 inch in diameter “high test”, which is embossed with a grade stamp representative of grade 40. Chain shall not be repaired by welding, wire, or cold shuts.

(ii) Wire rope shall be of improved plow steel and not less than 3/8 inch in diameter.

(iii) Webbing strap shall be not less than 3 inches in width and shall have a minimum breaking strength of 14,000 pounds.

(iv) Metal stakes shall be of sufficient strength to hold and contain the load.

(v) Connecting links and hooks shall be at least as strong as the tie down material used.

(6) Subsection (3) does not apply to a person operating a vehicle to transport agricultural commodities or to a person operating a farm truck or implement of husbandry transporting sand, gravel, and dirt necessary in the normal operation of a farm. However,

a person operating a vehicle to transport agricultural commodities or sand, gravel, and dirt in the normal operation of the farm who violates subsection (1) or (4) is guilty of a misdemeanor and is subject to the penalties prescribed in subsection (10).

(7) Subsection (3)(a) does not apply to a motor vehicle transporting items of a load which because of their weight will not fall off the moving vehicle and which have their centers of gravity located at least 6 inches below the top of the enclosure nor to a motor vehicle carrying metal which because of its weight and density is so loaded as to prevent it from dropping or falling off the moving vehicle.

(8) Subsection (3)(a) does not apply to motor vehicles and other equipment engaged in work upon the surface of a highway or street in a designated work area.

(9) A person shall not drive or move on a highway a vehicle equipped with a front end loading device with a tine protruding parallel to the highway beyond the front bumper of the vehicle unless the tine is carrying a load designed to be carried by the front end loading device. This subsection does not apply to a vehicle designed to be used or being used to transport agricultural commodities, to a vehicle en route to a repair facility, or to a vehicle engaged in construction activity. As used in this subsection, "agricultural commodities" means that term as defined in section 722.

(10) A person who violates this section is guilty of a misdemeanor punishable by a fine of not more than \$500.00 or imprisonment for not more than 90 days, or both.

(11) Subsection (5)(e) does not apply unless section 127(d) of title 23 of the United States Code, 23 U.S.C. 127, is amended to allow crib vehicles carrying logs to be loaded as described in this section and a waiver of the tiedown requirements under 49 C.F.R. 393.116 is authorized by the United States department of transportation, federal motor carrier safety administration.

(12) As used in this section:

(a) "Cross chain" means a chain which extends through the load of logs or tubular products and is connected at each end to a side stake.

(b) "Logs" means sawlogs, pulpwood, or tree length poles.

(c) "Tie down" means a high strength material which is used to secure the load of logs or tubular products to the frame or the bed of the vehicle.

(d) "Tier" means a vertical pile or stack of logs or tubular products.

This act is ordered to take immediate effect.

Approved July 31, 2003.

Filed with Secretary of State August 5, 2003.

[No. 143]

(SB 463)

AN ACT to amend 1972 PA 222, entitled "An act to provide for an official personal identification card; to provide for its form, issuance and use; to regulate the use and disclosure of information obtained from the card; to prescribe the powers and duties of the secretary of state; to prescribe fees; to prescribe certain penalties for violations; and to provide an appropriation for certain purposes," by amending section 2 (MCL 28.292), as amended by 2002 PA 553.

The People of the State of Michigan enact:

28.292 Official state personal identification card; contents; duties of secretary of state; methods; placement of name on organ donor registry; form; emergency medical information card; fingerprint or finger image; retention and use of person's image; access by law enforcement agency; list under sex offenders registration act; evidence of blindness; cardholder less than 21 years of age; information contained; issuance; manufacture; fees; expiration; renewal; waiver of fee; correction for change of name or address; application for renewal; other information; emancipated minor; validity.

Sec. 2. (1) The official state personal identification card shall contain the following:

- (a) An identification number permanently assigned to the person.
- (b) The full name, date of birth, sex, residential address, height, weight, eye color, image, and signature of the person to whom the identification card is issued.
- (c) An indication that the identification card contains 1 or more of the following:
 - (i) The blood type of the person.
 - (ii) Immunization data of the person.
 - (iii) Medication data of the person.
 - (iv) A statement that the person is deaf.
 - (v) A statement that the person is an organ and tissue donor pursuant to part 101 of the public health code, 1978 PA 368, MCL 333.10101 to 333.10109. If the identification card contains such a statement, the statement shall include the signature of the person, along with the signature of at least 1 witness.
 - (vi) Emergency contact information of the person.
- (d) Beginning July 1, 2003, in the case of a person who is less than 18 years of age at the time of issuance of the identification card, the dates on which the person will become 18 years of age and 21 years of age.
- (e) Beginning July 1, 2003, in the case of a person who is at least 18 years of age but less than 21 years of age at the time of issuance of the identification card, the date on which the person will become 21 years of age.

(2) In conjunction with the issuance of an official state personal identification card, the secretary of state shall do all of the following:

- (a) Provide the applicant with all of the following:
 - (i) Written information explaining the applicant's right to make an anatomical gift in the event of death pursuant to part 101 of the public health code, 1978 PA 368, MCL 333.10101 to 333.10109, and in accordance with this section.
 - (ii) Written information describing the organ donation registry program maintained by Michigan's federally designated organ procurement organization or its successor organization. The written information required under this subparagraph shall include, in a type size and format that is conspicuous in relation to the surrounding material, the address and telephone number of Michigan's federally designated organ procurement organization or its successor organization, along with an advisory to call Michigan's federally designated organ procurement organization or its successor organization with questions about the organ donor registry program.

(iii) Written information giving the applicant the opportunity to have his or her name placed on the organ donor registry described in subparagraph (ii).

(b) Provide the applicant with the opportunity to specify on his or her official state personal identification card that he or she is willing to make an anatomical gift in the event of death pursuant to part 101 of the public health code, 1978 PA 368, MCL 333.10101 to 333.10109, and in accordance with this section.

(c) Inform the applicant in writing that, if he or she indicates to the secretary of state under this section a willingness to have his or her name placed on the organ donor registry described in subdivision (a)(ii), the secretary of state will forward the applicant's name and address to the organ donation registry maintained by Michigan's federally designated organ procurement organization or its successor organization, pursuant to subsection (4).

(3) The secretary of state may fulfill the requirements of subsection (2) by 1 or more of the following methods:

(a) Providing printed material enclosed with a mailed notice for the issuance or renewal of an official state personal identification card.

(b) Providing printed material to an applicant who personally appears at a secretary of state branch office.

(c) Through electronic information transmittals for applications processed by electronic means.

(4) If an applicant indicates a willingness under this section to have his or her name placed on the organ donor registry described in subsection (2)(a)(ii), the secretary of state shall within 10 days forward the applicant's name and address to the organ donor registry maintained by Michigan's federally designated organ procurement organization or its successor organization. The secretary of state may forward information under this subsection by mail or by electronic means. The secretary of state shall not maintain a record of the name or address of an individual who indicates a willingness to have his or her name placed on the organ donor registry after forwarding that information to the organ donor registry under this subsection. Information about an applicant's indication of a willingness to have his or her name placed on the organ donor registry obtained by the secretary of state under subsection (2) and forwarded under this subsection is exempt from disclosure under the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246, pursuant to section 13(1)(d) of the freedom of information act, 1976 PA 442, MCL 15.243.

(5) The secretary of state shall prescribe the form of the identification card. The secretary of state shall designate on the identification card a space where the applicant may place a sticker or decal of the uniform size as the secretary may specify to indicate that the cardholder carries a separate emergency medical information card. The sticker or decal may be provided by any person, hospital, school, medical group, or association interested in assisting in implementing the emergency medical information card, but shall meet the specifications of the secretary of state. The sticker or decal also may be used to indicate that the cardholder has designated 1 or more patient advocates in accordance with section 5506 of the estates and protected individuals code, 1998 PA 386, MCL 700.5506. The emergency medical information card, carried separately by the cardholder, may contain the information described in subsection (2)(c), information concerning the cardholder's patient advocate designation, other emergency medical information, or an indication as to where the cardholder has stored or registered emergency medical information. Beginning on and after July 1, 2003, an original identification card or the renewal of an existing identification card issued to a person less than 21 years of age shall be portrait or vertical in form and an identification card issued to a person 21 years of age or over shall be landscape or horizontal in form. Except as otherwise required in this act,

other information required on the identification card pursuant to this act may appear on the identification card in a form prescribed by the secretary of state.

(6) The identification card shall not contain a fingerprint or finger image of the applicant.

(7) Except as provided in this subsection, the secretary of state may retain and use a person's image and signature described in subsection (1)(b) only for programs administered by the secretary of state. Except as provided in this subsection, the secretary of state shall not use a person's image unless written permission for that purpose is granted by the person to the secretary of state or specific enabling legislation permitting the use is enacted into law. A law enforcement agency of this state shall have access to any information retained by the secretary of state under this subsection. The information may be utilized for any law enforcement purpose unless otherwise prohibited by law. The department of state police shall provide to the secretary of state updated lists of persons required under section 5a of the sex offenders registration act, 1994 PA 295, MCL 28.725a, to maintain a valid operator's or chauffeur's license or an official state personal identification card and the secretary of state shall make images of those persons available to the department of state police as provided in the sex offenders registration act, 1994 PA 295, MCL 28.721 to 28.732.

(8) If a person presents evidence of statutory blindness as provided in 1978 PA 260, MCL 393.351 to 393.368, and is issued or is the holder of an official state personal identification card, the secretary of state shall mark the person's identification card in a manner that clearly indicates that the cardholder is legally blind.

(9) Until July 1, 2003, if the secretary of state issues an official state personal identification card to a person who at the time of application is 20-1/2 years of age or less, the secretary of state shall mark the person's identification card in a manner that clearly indicates that the cardholder is less than 21 years of age.

(10) An official state personal identification card may contain an identifier for voter registration purposes. An official state personal identification card may contain information appearing in electronic or machine readable codes needed to conduct a transaction with the secretary of state. The information shall be limited to the person's identification card number, birth date, expiration date, and other information necessary for use with electronic devices, machine readers, or automatic teller machines and shall not contain the person's name, address, driving record, or other personal identifier. The identification card shall identify the encoded information.

(11) An official state personal identification card shall be issued only upon authorization of the secretary of state, and shall be manufactured in a manner to prohibit as nearly as possible the ability to reproduce, alter, counterfeit, forge, or duplicate the identification card without ready detection.

(12) Except as otherwise provided in this act, an applicant shall pay a fee of \$10.00 to the secretary of state for each original or renewal identification card issued.

The department of treasury shall deposit the fees received and collected under this section in the state treasury to the credit of the general fund. The legislature shall appropriate the fees credited to the general fund under this act to the secretary of state for the administration of this act. Appropriations from the Michigan transportation fund shall not be used to compensate the secretary of state for costs incurred and services performed under this section.

(13) An original or renewal official state personal identification card shall expire on the birthday of the person to whom it is issued in the fourth year following the date of

issuance. The secretary of state shall not issue an official state personal identification card under this act for a period greater than 4 years. Except as provided in this subsection, a person may apply for a renewal of an official state personal identification card by mail or by other methods prescribed by the secretary of state. The secretary of state shall require renewal in person by a person required under section 5a of the sex offenders registration act, 1994 PA 295, MCL 28.725a, to maintain a valid operator's or chauffeur's license or official state personal identification card.

(14) The secretary of state shall waive the fee under this section if the applicant is a person 65 years of age or older, is a person who has had his or her operator's or chauffeur's license suspended, revoked, or denied under the Michigan vehicle code, 1949 PA 300, MCL 257.1 to 257.923, because of a mental or physical infirmity or disability, is a person who presents evidence of statutory blindness as provided in 1978 PA 260, MCL 393.351 to 393.368, or is a person who presents other good cause for a fee waiver.

(15) A person who has been issued an official state personal identification card shall apply for a renewal official state personal identification card if the person changes his or her name.

(16) A person who has been issued an official state personal identification card shall apply for a corrected identification card if he or she changes his or her residential address. The secretary of state may correct the address on an identification card by a method prescribed by the secretary of state. A fee shall not be charged for a change of residential address.

(17) Except as otherwise provided in subsections (15) and (16), a person who has been issued an official state personal identification card may apply for a renewal official state personal identification card for 1 or more of the following reasons:

(a) The person wants to change any information on the identification card.

(b) An identification card issued under this act is lost, destroyed, or mutilated, or becomes illegible.

(18) A person may indicate on an official state personal identification card in a place designated by the secretary of state his or her blood type, emergency contact information, immunization data, medication data, a statement that the person is deaf, or a statement that the person has made an anatomical gift pursuant to part 101 of the public health code, 1978 PA 368, MCL 333.10101 to 333.10109.

(19) If an applicant provides proof to the secretary of state that he or she is a minor who has been emancipated pursuant to 1968 PA 293, MCL 722.1 to 722.6, the official state personal identification card shall bear the designation of the individual's emancipated status in a manner prescribed by the secretary of state.

(20) A valid official state personal identification card presented by the person to whom the card is issued shall be considered the same as a valid state of Michigan driver license when identification is requested except as otherwise specifically provided by law.

Effective date.

Enacting section 1. This amendatory act takes effect October 1, 2003.

This act is ordered to take immediate effect.

Approved August 5, 2003.

Filed with Secretary of State August 5, 2003.

[No. 144]**(HB 4396)**

AN ACT to make appropriations for the state institutions of higher education and certain state purposes related to education for the fiscal year ending September 30, 2003 and for the fiscal year ending September 30, 2004; to provide for the expenditures of those appropriations; and to prescribe the powers and duties of certain state departments, institutions, agencies, employees, and officers.

The People of the State of Michigan enact:

PART 1

LINE-ITEM APPROPRIATIONS FOR FISCAL YEAR 2003-2004

Appropriations; higher education.

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for higher education for the fiscal year ending September 30, 2004, from the funds indicated in this part. The following is a summary of the appropriations in this part:

HIGHER EDUCATION

APPROPRIATION SUMMARY:

Full-time equated classified position.....1.0	
GROSS APPROPRIATION.....	\$ 1,789,837,000
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	0
ADJUSTED GROSS APPROPRIATION.....	\$ 1,789,837,000
Federal revenues:	
Total federal revenues.....	4,400,000
Special revenue funds:	
Total local revenues	0
Total private revenues.....	0
Total other state restricted revenues.....	152,750,000
State general fund/general purpose	\$ 1,632,687,000

Central Michigan university.**Sec. 102. CENTRAL MICHIGAN UNIVERSITY**

Operations.....	\$ 81,541,700
GROSS APPROPRIATION.....	\$ 81,541,700
Appropriated from:	
Special revenue funds:	
Michigan merit award trust fund.....	538,440
State general fund/general purpose	\$ 81,003,260

Eastern Michigan university.**Sec. 103. EASTERN MICHIGAN UNIVERSITY**

Operations.....	\$ 78,873,300
GROSS APPROPRIATION.....	\$ 78,873,300
Appropriated from:	
State general fund/general purpose	\$ 78,873,300

For Fiscal Year
Ending Sept. 30,
2004

Ferris state university.

Sec. 104. FERRIS STATE UNIVERSITY

Operations.....	\$	<u>49,968,200</u>
GROSS APPROPRIATION.....	\$	49,968,200
Appropriated from:		
State general fund/general purpose	\$	49,968,200

Grand Valley state university.

Sec. 105. GRAND VALLEY STATE UNIVERSITY

Operations.....	\$	<u>59,085,800</u>
GROSS APPROPRIATION.....	\$	59,085,800
Appropriated from:		
Special revenue funds:		
Michigan merit award trust fund.....		5,000,000
State general fund/general purpose	\$	54,085,800

Lake Superior state university.

Sec. 106. LAKE SUPERIOR STATE UNIVERSITY

Operations.....	\$	<u>12,841,800</u>
GROSS APPROPRIATION.....	\$	12,841,800
Appropriated from:		
State general fund/general purpose	\$	12,841,800

Michigan state university.

Sec. 107. MICHIGAN STATE UNIVERSITY

Operations.....	\$	293,383,700
Agricultural experiment station		33,163,800
Cooperative extension service		<u>28,604,300</u>
GROSS APPROPRIATION.....	\$	355,151,800
Appropriated from:		
State general fund/general purpose	\$	355,151,800

Michigan technological university.

Sec. 108. MICHIGAN TECHNOLOGICAL UNIVERSITY

Operations.....	\$	<u>49,717,400</u>
GROSS APPROPRIATION.....	\$	49,717,400
Appropriated from:		
State general fund/general purpose	\$	49,717,400

Northern Michigan university.

Sec. 109. NORTHERN MICHIGAN UNIVERSITY

Operations.....	\$	<u>46,811,500</u>
GROSS APPROPRIATION.....	\$	46,811,500
Appropriated from:		
State general fund/general purpose	\$	46,811,500

For Fiscal Year
Ending Sept. 30,
2004

Oakland university.

Sec. 110. OAKLAND UNIVERSITY

Operations.....	\$	<u>49,087,900</u>
GROSS APPROPRIATION.....	\$	49,087,900
Appropriated from:		
Special revenue funds:		
Michigan merit award trust fund.....		1,941,768
State general fund/general purpose	\$	47,146,132

Saginaw Valley state university.

Sec. 111. SAGINAW VALLEY STATE UNIVERSITY

Operations.....	\$	<u>26,673,700</u>
GROSS APPROPRIATION.....	\$	26,673,700
Appropriated from:		
Special revenue funds:		
Michigan merit award trust fund.....		2,019,792
State general fund/general purpose	\$	24,653,908

University of Michigan - Ann Arbor.

Sec. 112. UNIVERSITY OF MICHIGAN - ANN ARBOR

Operations.....	\$	<u>327,206,100</u>
GROSS APPROPRIATION.....	\$	327,206,100
Appropriated from:		
State general fund/general purpose	\$	327,206,100

University of Michigan - Dearborn.

Sec. 113. UNIVERSITY OF MICHIGAN - DEARBORN

Operations.....	\$	<u>25,193,900</u>
GROSS APPROPRIATION.....	\$	25,193,900
Appropriated from:		
State general fund/general purpose	\$	25,193,900

University of Michigan - Flint.

Sec. 114. UNIVERSITY OF MICHIGAN - FLINT

Operations.....	\$	<u>21,661,300</u>
GROSS APPROPRIATION.....	\$	21,661,300
Appropriated from:		
State general fund/general purpose	\$	21,661,300

Wayne state university.

Sec. 115. WAYNE STATE UNIVERSITY

Operations.....	\$	<u>228,279,900</u>
GROSS APPROPRIATION.....	\$	228,279,900
Appropriated from:		
State general fund/general purpose	\$	228,279,900

For Fiscal Year
Ending Sept. 30,
2004

Western Michigan university.

Sec. 116. WESTERN MICHIGAN UNIVERSITY

Operations.....	\$	113,109,300
GROSS APPROPRIATION.....	\$	<u>113,109,300</u>
Appropriated from:		
State general fund/general purpose	\$	113,109,300

State and regional programs.

Sec. 117. STATE AND REGIONAL PROGRAMS

Full-time equated position	1.0	
Higher education database modernization and conversion—		
1.0 FTE position	\$	200,000
Midwestern higher education compact		<u>82,500</u>
GROSS APPROPRIATION.....	\$	282,500
Appropriated from:		
State general fund/general purpose	\$	282,500

Martin Luther King, Jr. - Cesar Chavez - Rosa Parks program.

Sec. 118. MARTIN LUTHER KING, JR. - CESAR CHAVEZ -

ROSA PARKS PROGRAM

Select student supportive services.....	\$	1,956,100
Michigan college/university partnership program.....		586,800
Morris Hood, Jr. educator development program		<u>148,600</u>
GROSS APPROPRIATION.....	\$	2,691,500
Appropriated from:		
State general fund/general purpose	\$	2,691,500

Grants and financial aid.

Sec. 119. GRANTS AND FINANCIAL AID

State competitive scholarships.....	\$	35,530,500
Tuition grants.....		64,768,100
Michigan work-study program		7,326,300
Part-time independent student program.....		2,653,300
Dental clinics grant		4,547,000
Michigan education opportunity grants.....		2,084,200
Robert C. Byrd honors scholarship program		1,500,000
Nursing scholarship program		4,000,000
Michigan merit award program		130,000,000
Tuition incentive program.....		<u>9,250,000</u>
GROSS APPROPRIATION.....	\$	261,659,400
Appropriated from:		
Federal revenues:		
Higher education act of 1965, title IV, 20 U.S.C.		2,900,000
Higher education act of 1965, title IV, part A		1,500,000

Compiler's note: The shaded text was vetoed by the Governor, whose veto message appears in this volume under the heading "Vetoed."

	For Fiscal Year Ending Sept. 30, 2004
Special revenue funds:	
Michigan merit award trust fund.....	143,250,000
State general fund/general purpose	\$ 114,009,400

PART 1A

LINE-ITEM APPROPRIATIONS FOR FISCAL YEAR 2002-2003

HIGHER EDUCATION

APPROPRIATION SUMMARY:

GROSS APPROPRIATION.....	\$ 7,000,000
Interdepartmental grant revenues:	
Total interdepartmental grants and intradepartmental transfers	0
ADJUSTED GROSS APPROPRIATION.....	\$ 7,000,000
Federal revenues:	
Total federal revenues.....	0
Special revenue funds:	
Total local revenues	0
Total private revenues.....	0
Total other state restricted revenues.....	7,000,000
State general fund/general purpose	\$ 0

Central Michigan university.**Sec. 152. CENTRAL MICHIGAN UNIVERSITY**

Operations.....	\$ 1,500,000
GROSS APPROPRIATION.....	\$ 1,500,000
Appropriated from:	
Special revenue funds:	
Michigan merit award trust fund.....	1,500,000
State general fund/general purpose	\$ 0

Eastern Michigan university.**Sec. 153. EASTERN MICHIGAN UNIVERSITY**

Operations.....	\$ 423,932
GROSS APPROPRIATION.....	\$ 423,932
Appropriated from:	
Special revenue funds:	
Michigan merit award trust fund.....	423,932
State general fund/general purpose	\$ 0

Ferris state university.**Sec. 154. FERRIS STATE UNIVERSITY**

Operations.....	\$ 360,190
GROSS APPROPRIATION.....	\$ 360,190
Appropriated from:	
Special revenue funds:	
Michigan merit award trust fund.....	360,190
State general fund/general purpose	\$ 0

For Fiscal Year
Ending Sept. 30,
2004

Lake Superior state university.

Sec. 156. LAKE SUPERIOR STATE UNIVERSITY

Operations.....	\$	278,320
GROSS APPROPRIATION.....	\$	<u>278,320</u>
Appropriated from:		
Special revenue funds:		
Michigan merit award trust fund.....		278,320
State general fund/general purpose	\$	0

Michigan state university.

Sec. 157. MICHIGAN STATE UNIVERSITY

Operations.....	\$	896,973
GROSS APPROPRIATION.....	\$	<u>896,973</u>
Appropriated from:		
Special revenue funds:		
Michigan merit award trust fund.....		896,973
State general fund/general purpose	\$	0

Michigan technological university.

Sec. 158. MICHIGAN TECHNOLOGICAL UNIVERSITY

Operations.....	\$	359,637
GROSS APPROPRIATION.....	\$	<u>359,637</u>
Appropriated from:		
Special revenue funds:		
Michigan merit award trust fund.....		359,637
State general fund/general purpose	\$	0

Northern Michigan university.

Sec. 159. NORTHERN MICHIGAN UNIVERSITY

Operations.....	\$	353,229
GROSS APPROPRIATION.....	\$	<u>353,229</u>
Appropriated from:		
Special revenue funds:		
Michigan merit award trust fund.....		353,229
State general fund/general purpose	\$	0

University of Michigan - Ann Arbor.

Sec. 162. UNIVERSITY OF MICHIGAN - ANN ARBOR

Operations.....	\$	971,558
GROSS APPROPRIATION.....	\$	<u>971,558</u>
Appropriated from:		
Special revenue funds:		
Michigan merit award trust fund.....		971,558
State general fund/general purpose	\$	0

University of Michigan - Dearborn.

Sec. 163. UNIVERSITY OF MICHIGAN - DEARBORN

Operations.....	\$	305,558
GROSS APPROPRIATION.....	\$	<u>305,558</u>
Appropriated from:		
Special revenue funds:		
Michigan merit award trust fund.....		305,558
State general fund/general purpose	\$	0

For Fiscal Year
Ending Sept. 30,
2004

University of Michigan - Flint.

Sec. 164. UNIVERSITY OF MICHIGAN - FLINT

Operations	\$	<u>297,768</u>
GROSS APPROPRIATION	\$	297,768
Appropriated from:		
Special revenue funds:		
Michigan merit award trust fund.....		297,768
State general fund/general purpose	\$	0

Wayne state university.

Sec. 165. WAYNE STATE UNIVERSITY

Operations	\$	<u>753,405</u>
GROSS APPROPRIATION	\$	753,405
Appropriated from:		
Special revenue funds:		
Michigan merit award trust fund.....		753,405
State general fund/general purpose	\$	0

Western Michigan university.

Sec. 166. WESTERN MICHIGAN UNIVERSITY

Operations	\$	<u>499,430</u>
GROSS APPROPRIATION	\$	499,430
Appropriated from:		
Special revenue funds:		
Michigan merit award trust fund.....		499,430
State general fund/general purpose	\$	0

PART 2

PROVISIONS CONCERNING APPROPRIATIONS FOR FISCAL YEAR 2003-2004

GENERAL SECTIONS

Total state spending; payments to local units of government.

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2003-2004 is \$1,785,437,000.00 and state spending from state resources to be paid to local units of government for fiscal year 2003-2004 is \$3,759,100.00. The itemized statement below identifies the estimated appropriations from which spending to units of local government will occur:

Part-time independent student program.....	\$	1,255,700
Michigan education opportunity grant.....		932,900
Michigan work-study.....		<u>1,570,500</u>
TOTAL	\$	3,759,100

Appropriations subject to MCL 18.1101 to 18.1594.

Sec. 202. The appropriations authorized under this act are subject to the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

Reporting requirements; use of Internet.

Sec. 208. Unless otherwise specified, the institutions of higher education receiving appropriations in part 1 shall use the Internet to fulfill the reporting requirements of this act. This requirement may include transmission of reports via electronic mail to the recipients identified for each reporting requirement, or it may include placement of reports on an Internet or Intranet site.

Purchase of foreign goods or services.

Sec. 209. Funds appropriated in part 1 shall not be used for the purchase of foreign goods or services, or both, if competitively priced and of comparable quality American goods and services, or both, are available.

Payment and distribution of funds; monthly installments; HEIDI data; description of procedures.

Sec. 212. (1) The funds appropriated in part 1 to state institutions of higher education shall be paid out of the state treasury and distributed by the state treasurer to the respective institutions in 11 equal monthly installments on the sixteenth of each month, or the next succeeding business day, beginning with October 16, 2003. Except for Wayne State University, each institution shall accrue its July and August 2004 payments to its institutional fiscal year ending June 30, 2004.

(2) All universities shall submit higher education institutional data inventory (HEIDI) data and associated financial and program information requested by and in a manner prescribed by the state budget director. For universities with fiscal years ending June 30, 2003, these data shall be submitted to the state budget director by October 15, 2003. Universities with a fiscal year ending September 30, 2003 shall submit preliminary HEIDI data by November 15, 2003 and final data by December 15, 2003. If a university fails to submit HEIDI data and associated financial aid program information in accordance with this reporting schedule, the state treasurer shall withhold the monthly installments under subsection (1) to the university until those data are submitted.

(3) A detailed description of procedures utilized to arrive at the amounts appropriated in part 1 shall be submitted to each institution by the senate and house fiscal agencies.

Federal or private funds; use.

Sec. 213. Funds received by the state from the federal government or private sources for the use of a college or university are appropriated for the purposes for which they are provided. The acceptance and use of federal or private funds do not place an obligation upon the legislature to continue the purposes for which the funds are made available.

Michigan tuition tax credit; notification and documentation of tuition and fees.

Sec. 214. If section 274 of the income tax act of 1967, 1967 PA 281, MCL 206.274, is not repealed and if a state institution of higher education that receives funds under this act notifies the department of treasury regarding its tuition and fee rates in order to qualify as an eligible institution for the Michigan tuition tax credit under section 274 of the income tax act of 1967, 1967 PA 281, MCL 206.274, the institution shall also submit the notification and applicable documentation of tuition and fee changes to the house and senate fiscal agencies.