

Act No. 130
Public Acts of 2015
Approved by the Governor
July 22, 2015
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**STATE OF MICHIGAN
98TH LEGISLATURE
REGULAR SESSION OF 2015**

Introduced by Senators Booher, Marleau, Nofs, Knollenberg, MacGregor, Knezek, Zorn, Pavlov, Emmons, Proos, Casperson, Colbeck, Hildenbrand, Kowall, Schuitmaker, Brandenburg, Robertson, Hune and Schmidt

ENROLLED SENATE BILL No. 69

AN ACT to amend 1966 PA 331, entitled "An act to revise and consolidate the laws relating to community colleges; to provide for the creation of community college districts; to provide a charter for such districts; to provide for the government, control and administration of such districts; to provide for the election of a board of trustees; to define the powers and duties of the board of trustees; to provide for the assessment, levy, collection and return of taxes therefor; to authorize community college districts to operate a new jobs training program, enter into certain training agreements, and issue bonds to finance the training program; to prescribe penalties and provide remedies; and to repeal acts and parts of acts," by amending sections 161, 162, and 163 (MCL 389.161, 389.162, and 389.163), as added by 2008 PA 359.

The People of the State of Michigan enact:

Sec. 161. As used in this chapter:

(a) "Agreement" means a written agreement between an employer and a community college district concerning a project and any amendments to that agreement.

(b) "Bond" or "bonds" means bonds, notes, or other debt issued by a community college district under this chapter.

(c) "Employer" means a person that is engaged in business and has employees in this state.

(d) "New job" means a full-time job in this state that meets all of the following:

(i) Except as provided in subparagraph (ii) or (iii), is a new, existing, or expanding business of an employer.

(ii) Is not a job of a recalled worker, a replacement job, or any other job that existed in the employer's business within the 1-year period preceding the date of an agreement.

(iii) Is not a job that is part of an employer's business operation located in a municipality in this state, if that job existed in a business operation or a substantially similar business operation of the employer formerly located in another municipality in this state, the employer moved that business operation or substantially similar business operation to its current location, and the employer closed or substantially reduced that former business operation or substantially similar business operation.

(iv) Results in a net increase in employment in this state for that employer.

(v) The wage paid for the job is equal to or exceeds 175% of the state minimum wage.

(e) "New jobs credit from withholding" means the credit described in section 163.

(f) "New jobs training program" or "program" means the project or projects established by a community college district for the creation of jobs by providing education and training or retraining of workers for new jobs.

(g) "Program costs" means all necessary and incidental costs of providing program services.

(h) "Program services" includes, but is not limited to, any of the following:

(i) Training or retraining for new jobs.

(ii) Adult basic education and job-related instruction.

(iii) Developmental, readiness, and remedial education.

(iv) Vocational and skill-assessment services and testing.

(v) Training facilities, equipment, materials, and supplies.

(vi) Administrative expenses for the new jobs training program.

(vii) Subcontracted services with public universities and colleges in this state, private colleges or universities, or any federal, state, or local departments or agencies.

(viii) Contracted or professional services.

(i) "Project" means a training arrangement that is the subject of an agreement entered into between the community college district and an employer to provide program services.

(j) "State minimum wage" means the minimum hourly wage rate in effect as of the date the employer and the community college district enter into the agreement to establish the project under former 1964 PA 154 or under the workforce opportunity wage act, 2014 PA 138, MCL 408.411 to 408.424, as applicable.

Sec. 162. (1) A community college district may enter into an agreement to establish a project with an employer engaged in business activities anywhere in the state. An agreement shall meet section 163 and all of the following:

(a) Shall provide for program costs that may be paid from a new jobs credit from withholding, to be received or derived from new employment resulting from the project, or from tuition, student fees, or special charges fixed by the board of trustees to defray program costs in whole or in part.

(b) Shall contain an estimate of the number of new jobs to be created by the employer.

(c) Shall include a provision that fixes, on a quarterly basis, the minimum amount of new jobs credit from withholding to be paid for program costs.

(d) Shall provide that if the amount received from the new jobs credit from withholding is insufficient to pay program costs, the employer agrees to provide money, at least quarterly, to make up the shortfall, so that the community college district receives for each quarter the minimum amount of new jobs credit from withholding that is provided in the agreement.

(e) Shall include the employer's agreement to mortgage, assign, pledge, or place a lien on any real or personal property as required by the community college district as security for its obligations under the agreement.

(f) Shall provide for payment of an administrative fee to the community college district in an amount equal to 15% of the aggregate amount to be paid under the agreement.

(g) May contain other provisions the community college district considers appropriate or necessary.

(2) Any payments required to be made by an employer under an agreement are a lien on the employer's business property, real and personal, until paid, have equal precedence with property taxes, and shall not be divested by a judicial sale. Property subject to the lien established in this subsection may be sold for sums due and delinquent at a tax sale, with the same forfeitures, penalties, and consequences as for the nonpayment of property taxes. The purchaser at tax sale obtains the property subject to the remaining payments required under the agreement.

(3) A community college district shall file a copy of an agreement with the department of treasury promptly after its execution.

(4) A community college district shall not enter into any new agreements after December 31, 2023.

Sec. 163. (1) If any part of the program costs of a new jobs training program are to be paid from receipt of money from a new jobs credit from withholding, the agreement shall contain all of the following provisions:

(a) That program costs are to be paid from money received from a new jobs credit from withholding.

(b) That the new jobs credit from withholding shall be based on salary and wages paid to employees of the employer in the new jobs.

(c) That for each employee in a new job, the employer shall each month pay the amount required to be deducted and withheld by the employer under section 703 of the income tax act of 1967, 1967 PA 281, MCL 206.703, to the community college district in the same manner as the employer returns and pays withholding payments to the revenue division of the department of treasury, and the community college district shall pay the amounts received into a special fund to pay program costs and the principal of and interest on any bonds issued by the community college district to finance or refinance the project in whole or in part.

(d) That the community college district may irrevocably pledge the new jobs credit from withholding, and the special fund into which the withholdings are paid, for the payment of the principal of and interest on bonds issued by a community college district to finance or refinance the project in whole or in part.

(e) That for each new jobs credit from withholding paid to a community college district under subdivision (c), the employer shall certify to the department of treasury that the payment was made pursuant to an agreement and shall provide any other information reasonably requested by the department of treasury.

(f) Any other provisions required by the community college district.

(2) At the end of each calendar quarter, a community college district receiving money from a new jobs credit from withholding shall certify to the department of treasury the amount of new jobs credit from withholding each employer with which the community college district has an agreement has remitted to the community college district in that calendar quarter.

(3) By April 1 of each year, each community college district that received money from a new jobs credit from withholding in the preceding calendar year shall provide all of the following information to the department of treasury for the preceding calendar year:

(a) The name of the community college district.

(b) The name of each employer with which the community college district has an agreement, organized by major industry group under the North American industry classification system published by the office of management and budget.

(c) The amount of money from a new jobs credit from withholding each employer described in subdivision (b) has remitted to the community college district.

(d) The amount of new jobs training revenue bonds the community college district has authorized, issued, or sold.

(e) The total amount of the community college district's debt related to agreements at the end of the calendar year.

(f) The number of degrees or certificates awarded to program participants in the calendar year.

(g) The number of individuals who entered a program at the community college district in the calendar year; who completed the program in the calendar year; and who were enrolled in a program at the end of the calendar year.

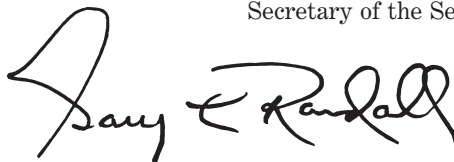
(h) The number of individuals who completed a program an employer described in subdivision (b) hired to fill new jobs.

(i) Any other information reasonably requested by the department of treasury.

This act is ordered to take immediate effect.



Secretary of the Senate



Clerk of the House of Representatives

Approved

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Governor