

HOUSE BILL No. 6484

September 18, 2008, Introduced by Reps. Pavlov and Espinoza and referred to the Committee on Education.

A bill to provide for the creation of county promise authorities; to prescribe the powers and duties of county promise authorities; to provide for the levy of a property tax by a county promise authority; to provide for the disbursement of certain tax revenue; and to prescribe the powers and duties of certain government officials.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act shall be known and may be cited as the
2 "county promise authority act".

3 Sec. 3. As used in this act:

4 (a) "Articles" means the articles of incorporation of an
5 authority.

1 (b) "Authority" means a county promise authority created under
2 this act.

3 (c) "Board" means the governing body of an authority.

4 (d) "Community foundation" means that term as defined in
5 section 261 of the income tax act of 1967, 1967 PA 281, MCL
6 206.261.

7 (e) "Development plan" means the plan developed by an
8 authority under this act that will ensure that the financial
9 resources are available to adequately fund the promise of financial
10 assistance.

11 (f) "Eligible educational institution" means any of the
12 following:

13 (i) A college, university, community college, or junior college
14 described in section 4, 5, or 6 of article VIII of the state
15 constitution of 1963 or established under section 7 of article VIII
16 of the state constitution of 1963.

17 (ii) An independent nonprofit college or university.

18 (iii) A state-licensed vocational or technical education
19 program.

20 (g) "Eligible students" means that term as defined by an
21 authority in the development plan.

22 (h) "Promise of financial assistance" means a commitment by an
23 authority to provide financial resources for postsecondary
24 education to all eligible students living in the county.

25 Sec. 5. (1) Any county may, by resolution, form a county
26 promise authority.

27 (2) An authority possesses all of the powers necessary for

1 carrying out the purposes of its formation. The enumeration of
2 specific powers in this act shall not be construed as a limitation
3 on the general powers of an authority, consistent with its
4 articles.

5 Sec. 7. (1) To initiate the establishment of an authority,
6 articles of incorporation shall be prepared by a majority of the
7 members of the county board of commissioners of the county
8 establishing the authority. The articles of incorporation shall
9 include all of the following:

10 (a) The name of the authority.

11 (b) The size of the board of the authority, which shall be
12 composed of an odd number of members and shall not exceed 15
13 members; the qualifications and terms of office of board members;
14 and the manner of appointing the members of the board of the
15 authority.

16 (c) The purpose of the authority.

17 (d) The method of dissolution of the authority.

18 (e) Any other matters considered advisable.

19 (2) The articles shall be adopted and may be amended by an
20 affirmative vote of a majority of the members of the county board
21 of commissioners of the county establishing the authority.

22 (3) Before the articles or amendments to the articles are
23 adopted, the articles or amendments to the articles shall be
24 published not less than once in a newspaper generally circulated
25 within the county. The adoption of articles or amendments to the
26 articles by the county shall be evidenced by an endorsement on the
27 articles or amendments by the clerk of the county.

1 (4) Upon adoption of the articles or amendments to the
2 articles by the county, a printed copy of the articles or the
3 amended articles shall be filed with the secretary of state by the
4 clerk of the county.

5 (5) The authority's articles of incorporation, or amendments
6 to the articles, take effect upon filing with the secretary of
7 state.

8 Sec. 9. (1) A vacancy occurs on the board upon the happening
9 of any of the events set forth in section 3 of 1846 RS 15, MCL
10 201.3. Members of the board may be removed by the county board of
11 commissioners for good cause after a public hearing. Vacancies
12 shall be filled in the manner as provided for in the authority's
13 bylaws.

14 (2) A majority of the members of the board constitute a quorum
15 for the purpose of conducting business and exercising the powers of
16 an authority. Official action may be taken by an authority upon the
17 vote of a majority of the board members present, unless the
18 authority adopts bylaws requiring a larger number.

19 (3) A member of the board shall not receive compensation for
20 services as a member of the board but is entitled to reimbursement
21 for reasonable expenses, including expenses for travel previously
22 authorized by the board, incurred in the discharge of his or her
23 duties.

24 (4) The business that an authority may perform shall be
25 conducted at a public meeting of the authority held in compliance
26 with the open meetings act, 1976 PA 267, MCL 15.261 to 15.275.
27 Public notice of the time, date, and place of the meeting shall be

1 given in the manner required by the open meetings act, 1976 PA 267,
2 MCL 15.261 to 15.275.

3 (5) A writing prepared, owned, or used by an authority in the
4 performance of an official function shall be made available in
5 compliance with the freedom of information act, 1976 PA 442, MCL
6 15.231 to 15.246.

7 (6) At its first meeting, a board shall elect a chairperson, a
8 secretary, a treasurer, and any other officers it considers
9 necessary. A board shall meet at least 4 times a year.

10 (7) A board shall adopt bylaws to govern its procedures and to
11 provide the manner in which vacancies on the board shall be filled.

12 Sec. 11. (1) An authority created under this act shall prepare
13 a development plan that includes, but is not limited to, all of the
14 following:

15 (a) A complete description of the proposed promise of
16 financial assistance. The proposed promise of financial assistance
17 shall include, but is not limited to, a promise of financial
18 assistance to all eligible students residing within the county. The
19 proposed promise of financial assistance shall, at a minimum,
20 provide sufficient funding to provide all eligible students the
21 tuition necessary to obtain at least an associate degree at an
22 eligible educational institution.

23 (b) A complete description of any limitations on the promise
24 of financial assistance; whether the promise of financial
25 assistance will be prorated based on the number of years the
26 eligible student has resided within the county; whether the promise
27 of financial assistance will be restricted to eligible students who

1 have resided within the county for a minimum number of years; or
2 whether the promise of financial assistance is predicated on the
3 eligible student's maintaining a minimum college grade point
4 average and carrying a minimum college credit hour classload.

5 (c) Whether eligible students will be required to exhaust all
6 other available publicly funded scholarships before receiving
7 financial assistance under this act. As used in this subdivision,
8 "other available publicly funded scholarships" includes any
9 institutional aid from an eligible educational institution and
10 grants for postsecondary education provided by a federal, state, or
11 local governmental entity, but does not include loans.

12 (d) How the funds necessary to accomplish the promise of
13 financial assistance will be raised. The development plan may be
14 financed from any of the following:

15 (i) Money provided from a community foundation located in the
16 county.

17 (ii) Donations.

18 (iii) The levy of a tax, if authorized, as provided in section
19 17.

20 (iv) Money obtained from other sources approved by the
21 authority or otherwise authorized by law.

22 (e) The minimum financial commitment that the authority must
23 provide before the tax, if authorized under section 17, may be
24 levied.

25 (f) The definition of eligible students.

26 (2) The board shall submit the development plan to the county
27 board of commissioners. In addition, the board shall cause the

1 development plan to be published not less than once in a newspaper
2 generally circulated within the county.

3 (3) The county board of commissioners shall review the
4 proposed development plan submitted under subsection (2) and shall
5 certify that the proposed development plan meets all of the
6 requirements under this act.

7 Sec. 13. The establishment of a development plan does not
8 create a cause of action in law or in equity against the county,
9 this state, or an authority, if the proposed promise of financial
10 assistance set forth in the development plan is not paid to an
11 eligible student.

12 Sec. 15. An authority may do 1 or more of the following:

13 (a) Apply for and accept grants or contributions from
14 individuals, the federal government or any of its agencies, this
15 state, a municipality, or other public or private agencies to be
16 used for any of the purposes of the authority.

17 (b) Hire full-time or part-time employees and retain
18 professional services.

19 (c) Levy a tax as provided in section 17.

20 (d) Accept private funds from a community foundation located
21 in the county.

22 (e) Identify eligible educational institutions.

23 Sec. 17. (1) An authority may levy a tax on all of the taxable
24 property within the county for the purpose of providing financial
25 assistance for postsecondary education, at an eligible educational
26 institution, to all eligible students who live within the county.

27 The proposal for a tax shall be submitted to a vote of the electors

1 of the county by resolution of the authority board. The authority
2 may levy the tax only if a majority of the electors in the county
3 voting on the tax at an election held on a regular election date
4 established under section 641 of the Michigan election law, 1954 PA
5 116, MCL 168.641, approve the tax and if the requirements of
6 section 19 are met.

7 (2) A ballot proposal for a tax shall comply with the
8 requirements of section 24f of the general property tax act, 1893
9 PA 206, MCL 211.24f. A proposal for a tax shall not be placed on
10 the ballot unless the proposal is adopted by a resolution of the
11 board and certified by the board not later than 70 days before the
12 election to the county clerk of the county for inclusion on the
13 ballot. The proposal shall be certified for inclusion on the ballot
14 at the next eligible election, as specified by the board's
15 resolution.

16 (3) If a majority of the electors in the county voting on the
17 question of a tax approve the proposal as provided under subsection
18 (1), the tax levy is authorized. Not more than 2 elections may be
19 held in a calendar year on a proposal for a tax authorized under
20 this act.

21 Sec. 19. If a millage is approved under section 17, the tax
22 shall not be levied unless the minimum financial commitment, as
23 provided in the development plan, is provided by the authority.

24 Sec. 21. If a millage is approved under section 17, the
25 development plan shall not be changed or altered and the promise of
26 financial assistance shall not be reduced or minimized during the
27 duration of the authorized millage.

1 Sec. 23. (1) The county election commission of the county
2 shall provide ballots for an election for a tax under section 17.

3 (2) An election for a tax shall be conducted by the city and
4 township clerks and election officials of the municipalities
5 located within the county.

6 Sec. 25. (1) If an election for a tax under section 17 is to
7 be held in conjunction with a general election or a state primary
8 election, the notices of close of registration and election shall
9 be published as provided for by the state election laws. Otherwise,
10 the county clerk of the county shall publish the notices of close
11 of registration and election. The notice of close of registration
12 shall include the ballot language of the proposal.

13 (2) The results of an election for a tax shall be canvassed by
14 the board of county canvassers of the county. The board of county
15 canvassers of the county shall make the final canvass of an
16 election for a tax based on the returns of the election inspectors
17 of the municipalities in that county. The board of county
18 canvassers of the county shall certify the results of the election
19 to the board of the authority.

20 Sec. 27. (1) A county clerk shall charge the authority and the
21 authority shall reimburse the county for the actual costs the
22 county incurs in the election for the tax under section 17.

23 (2) If a municipality conducts the election for the tax, the
24 clerk of that municipality shall charge the authority and the
25 authority shall reimburse the municipality for the actual costs the
26 municipality incurs in conducting the election if the election is
27 not held in conjunction with a regularly scheduled election in that

1 municipality.

2 (3) In addition to the costs reimbursed under subsection (1)
3 or (2), a county or municipality shall charge the authority and the
4 authority shall reimburse the county or municipality for actual
5 costs that the county or municipality incurs and that are
6 exclusively attributable to an election for a tax authorized under
7 this act.

8 (4) The actual costs that a county or municipality incurs
9 shall be based on the number of hours of work done in conducting
10 the election, the rates of compensation of the workers, and the
11 cost of materials supplied in the election.

12 Sec. 29. (1) A board shall obtain an annual audit of the
13 authority, and report on the audit and auditing procedures, in the
14 manner provided by sections 6 to 13 of the uniform budgeting and
15 accounting act, 1968 PA 2, MCL 141.426 to 141.433. The audit shall
16 also be in accordance with generally accepted government auditing
17 standards as promulgated by the United States general accounting
18 office and shall satisfy federal regulations relating to federal
19 grant compliance audit requirements.

20 (2) An authority shall prepare budgets and appropriations acts
21 in the manner provided by sections 14 to 19 of the uniform
22 budgeting and accounting act, 1968 PA 2, MCL 141.434 to 141.439.

23 (3) The state treasurer, the attorney general, a prosecuting
24 attorney, bank, certified public accountant, certified public
25 accounting firm, or other person shall have the same powers,
26 duties, and immunities with respect to the authority as provided
27 for local units in sections 6 to 20 of the uniform budgeting and

1 accounting act, 1968 PA 2, MCL 141.426 to 141.440.

2 (4) If an authority ends a fiscal year in a deficit condition,
3 the authority shall file a financial plan to correct the deficit
4 condition in the same manner as provided in section 21(2) of the
5 Glenn Steil state revenue sharing act of 1971, 1971 PA 140, MCL
6 141.921.

7 (5) The board may authorize funds of the authority to be
8 invested or deposited in any investment or depository authorized
9 under section 1 of 1943 PA 20, MCL 129.91.