

**SUBSTITUTE FOR  
HOUSE BILL NO. 5174**

A bill to amend 1986 PA 196, entitled  
"Public transportation authority act,"  
by amending the title and section 8 (MCL 124.458), section 8 as  
amended by 1990 PA 10.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1 TITLE

2 An act to authorize the formation of public transportation  
3 authorities with certain general powers and duties; to provide  
4 for the withdrawal of certain local entities from public trans-  
5 portation authorities; to authorize certain local entities to  
6 levy property taxes for public transportation service and public  
7 transportation purposes; to protect the rights of employees of  
8 existing public transportation systems; to provide for the  
9 issuance of bonds and notes; to provide for the pledge of taxes,  
10 revenues, assessments, tax levies, and other funds for bond or

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1 note payment; to provide for the powers and duties of certain  
2 state agencies; to validate taxes authorized before ~~the effec-~~  
3 ~~tive date of this act~~ JULY 10, 1986, elections held before ~~the~~  
4 ~~effective date of this act~~ JULY 10, 1986, and bonds and notes  
5 issued before ~~the effective date of this act~~ JULY 10, 1986; to  
6 provide for transfer of certain tax revenue and certain powers,  
7 rights, duties, and obligations; to authorize condemnation pro-  
8 ceedings; to grant certain powers to certain local entities;  
9 ~~and~~ to validate and ratify the organization, existence, and  
10 membership of public transportation authorities created before  
11 ~~the effective date of this act~~ JULY 10, 1986 and the actions  
12 taken by those public transportation authorities and by the mem-  
13 bers of those public transportation authorities; AND TO PRESCRIBE  
14 PENALTIES AND PROVIDE REMEDIES.

15       Sec. 8. (1) Except as otherwise provided in subsection (2),  
16 a political subdivision that is a member of a public authority or  
17 the portion of a city, village, or township, which portion is a  
18 member of a public authority may be released from membership in  
19 the public authority if all of the following conditions are met:

20       (a) Adoption of a resolution by a majority of the members  
21 elected to and serving on the legislative body of the political  
22 subdivision requesting release from membership.

23       (b) Acceptance of the request by a 2/3 vote of the members  
24 serving on the board of the public authority, excluding the mem-  
25 bers representing the political subdivision requesting release.

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1 (c) Payment or the provision for payment is made regarding  
2 all obligations of the political subdivision to the public  
3 authority or its creditors.

4 (2) Notwithstanding subsection (1), an entity ~~which~~ THAT  
5 is a political subdivision ~~that~~ AND is a member of a public  
6 authority or the portion of a city, village, or township, which  
7 portion is a member of a public authority, may be released from  
8 membership in the public authority if all of the following condi-  
9 tions are met:

10 (a) The entity desiring to withdraw from the authority has  
11 approved the question by a majority of the qualified and regis-  
12 tered electors voting at a general or special election held in  
13 November before the expiration of a tax authorized to be levied  
14 under this act.

15 (b) ~~A~~ SUBJECT TO SUBSECTION (6), A petition that bears the  
16 signatures of REGISTERED ELECTORS OF THE ENTITY EQUAL TO at least  
17 20% of the number of votes cast in the political subdivision or  
18 portion of a city, village, or township for all candidates for  
19 governor in the last general election in which a governor was  
20 elected and that requires the governing body of the entity by  
21 resolution to submit the question to its electors at the next  
22 general or special election is filed not less than 60 days before  
23 the election with the clerk of the entity presenting the  
24 question.

25 (c) The vote upon the question approving the resolution is  
26 by ballot and is in substantially the following form:

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1 "Shall \_\_\_\_\_ (township, village, city, or other) as  
2 provided by ~~Act No. 196 of the Public Acts of 1986~~ 1986 PA 196  
3 withdraw from the authority as a member?

4 Yes \_\_\_\_\_

5 No \_\_\_\_\_".

6 (d) All ballots are cast, canvassed, and the results of the  
7 election certified in the same manner as ballots on any other  
8 question submitted to the electors of the entity seeking with-  
9 drawal pursuant to the Michigan election law, ~~Act No. 116 of the~~  
10 ~~Public Acts of 1954, being sections 168.1 to 168.992 of the~~  
11 ~~Michigan Compiled Laws~~ 1954 PA 116, MCL 168.1 TO 168.992.

12 (e) Payment or the provision for payment is made regarding  
13 all obligations of the political subdivision to the public  
14 authority or its creditors. If withdrawal is approved by a  
15 majority of the electors voting on the question, the decision  
16 will take effect at the expiration date of the tax and neither  
17 the authority nor officials of the political subdivision may  
18 appeal or amend this decision.

19 (3) A tax authorized to be levied by a public authority  
20 within the boundaries of the political subdivision or the portion  
21 of a political subdivision to be released shall continue to be  
22 levied for the period of time originally authorized and shall be  
23 paid over to the public authority originally authorized to be the  
24 recipient of the tax revenue. A political subdivision or portion  
25 of a political subdivision that has been released from an author-  
26 ity shall continue to receive transportation services from the  
27 authority until the political subdivision or portion of the

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1 political subdivision is no longer required to pay a tax levied  
2 by the authority.

3       (4) Release of a political subdivision or portion of a  
4 political subdivision from a public authority shall be evidenced  
5 by an amendment to the articles of incorporation executed by the  
6 recording officer of a public authority and filed and published  
7 in the same manner as the original articles of incorporation.

8       (5) A political subdivision or other entity that is part of  
9 a public authority under this act may withdraw from the public  
10 authority until the expiration of the thirtieth day following the  
11 date the public authority is incorporated without meeting the  
12 conditions listed in subsection (1) or (2). If a public author-  
13 ity under this act has as a member a political subdivision that  
14 is part of a metropolitan statistical area, as defined by the  
15 United States department of commerce or a successor agency, and  
16 the metropolitan statistical area has a population of not less  
17 than 600,000 and not more than 1,500,000, a political subdivision  
18 or other entity that is part of the public authority may also  
19 withdraw from the public authority until the expiration of 30  
20 days after the date on which the board of the public authority  
21 adopts a resolution calling for an election for the purpose of  
22 levying a tax pursuant to section 18, without meeting the condi-  
23 tions listed in subsection (1) or (2). If all or a portion of a  
24 city, village, or township is part of an authority incorporating  
25 as a public authority under this act, the city, village, or town-  
26 ship may also decide to only withdraw a portion of the entity  
27 bounded by the lines described in section 4 from the public

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1 authority under the deadline established in this subsection. In  
2 addition, a political subdivision or other entity that is part of  
3 a public authority under this act may withdraw from the public  
4 authority in any year in which a tax authorized to be levied  
5 under this act expires, without meeting the conditions listed in  
6 subsection (1) or (2), if the political subdivision or entity  
7 makes the determination to withdraw by a vote of its legislative  
8 body held in January of that year. Further, if all or a portion  
9 of a city, village, or township is part of an authority incor-  
10 porating as a public authority under this act, the city, village,  
11 or township may also decide to only withdraw a portion of the  
12 entity bounded by the lines described in section 4 from the  
13 public authority in that same January. However, if a tax is  
14 authorized to be levied in a political subdivision or portion of  
15 a political subdivision by a public authority under this act and  
16 the political subdivision or portion of a political subdivision  
17 withdraws pursuant to this subsection, the tax shall continue to  
18 be levied in the political subdivision or portion of a political  
19 subdivision for the period of time originally authorized. A  
20 political subdivision or portion of a political subdivision that  
21 withdraws from the authority shall continue to receive public  
22 transportation services from the authority until the political  
23 subdivision or portion of the political subdivision is no longer  
24 required to pay a tax levied by the authority.

25 (6) A PETITION UNDER SUBSECTION (2), INCLUDING THE CIRCULA-  
26 TION AND SIGNING OF THE PETITION, IS SUBJECT TO SECTION 488 OF  
27 THE MICHIGAN ELECTION LAW, 1954 PA 116, MCL 168.488. A PERSON

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1 WHO VIOLATES A PROVISION OF THE MICHIGAN ELECTION LAW, 1954 PA  
2 116, MCL 168.1 TO 168.992, APPLICABLE TO A PETITION DESCRIBED IN  
3 SUBSECTION (2) IS SUBJECT TO THE PENALTIES PRESCRIBED FOR THAT  
4 VIOLATION IN THE MICHIGAN ELECTION LAW, 1954 PA 116, MCL 168.1 TO  
5 168.992.

6       Enacting section 1. This amendatory act does not take  
7 effect unless House Bill No. 5138 of the 89th Legislature is  
8 enacted into law.