

**DISSOLVING CERTAIN SOLID  
WASTE AUTHORITIES**

**House Bill 4186**  
**Sponsor: Rep. David Woodward**  
**Committee: Land Use and Environment**

**Complete to 4-11-01**

**A SUMMARY OF HOUSE BILL 4186 AS INTRODUCED 2-13-01**

The bill would add a new section (MCL 123.307a) to Public Act 179 of 1947, which provides for the formation of garbage and rubbish disposal authorities and dog pound authorities, to allow the members of some authorities to vote on a “direction to dissolve” the authority.

Direction to Dissolve. In a situation involving an authority that had ten or more “members” (participating municipalities), served more than 250,000 people, and had no outstanding revenue bonds, the authority could be dissolved if two or more members determined, by a vote of their legislative bodies, that the authority no longer effectively served the public interest for which it was created. Under the bill, “member” would mean a municipality that had incorporated the authority or that had become a part of the authority by an amendment to the articles of incorporation, unless the member’s participation in the authority had been terminated by an action of the state.

Purchase of Authority Property. An authority would have to cease operating within six months of the direction to dissolve; and within six months of that date it would be required to settle all its accounts and sell all its property. A member of the authority could purchase all or any part of the authority property that was located within the member’s jurisdictional boundaries at the property’s fair market value, or at the highest price offered for the property in an arm’s length, bona fide offer, whichever was less. A licensed appraiser who was acceptable to the authority and the member would determine the fair market value.

Distribution of Remaining Assets. Immediately after the sale of its property and the settlement of its accounts, the authority would be required to distribute its remaining assets to its members. This would have to be done on a pro rata basis, based on the amount of each member’s municipal solid waste, including recyclables, that were handled by the authority during the last full calendar year prior to the direction to dissolve, or by a private contractor if it was incorporated into a new authority.

Other. The bill would also specify the following:

- Claims of secured creditors would not be impaired by reason of the provisions of the bill.
- Upon distribution of its assets, the corporate existence of the authority would terminate, all liabilities of its members would terminate, and the authority would be dissolved.

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- The provisions of the bill would not preclude the incorporation of a new authority by the prior members of one that had been dissolved.

Analyst: R. Young

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■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.