

**SUBSTITUTE FOR  
HOUSE BILL NO. 6070**

A bill to create and provide for the operation of the Michigan next energy authority; to provide for the creation and appointment of a board to govern the authority and to prescribe its powers and duties; to provide for the powers and duties of the authority; to extend protections against certain liabilities to the authority; to authorize the conveyance of state land and to confer authority and jurisdiction over state land to the authority; to provide for the issuance of certain bonds, notes, and other obligations; to facilitate the use and development of authority property; to promote alternative energy technology and economic growth; to authorize the acquisition, maintenance, and disposal of interests in real and personal property; to provide for the conveyance of land transferred to the authority; to convey state land; and to exempt property, income, and operations of an authority from tax.

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

1       Sec. 1. This act shall be known and may be cited as the  
2 "Michigan next energy authority act".

3       Sec. 2. As used in this act:

4       (a) "Advanced battery cell" means a rechargeable battery  
5 cell with a specific energy of not less than 80 watt hours per  
6 kilogram.

7       (b) "Alternative energy marine propulsion system" means an  
8 onboard propulsion system or detachable outboard propulsion  
9 system for a watercraft that is powered by a fuel cell energy  
10 system, photovoltaic energy system, or advanced battery cell  
11 energy system and that is the singular propulsion system for the  
12 watercraft. Alternative energy marine propulsion system does not  
13 include battery powered motors designed to assist in the propul-  
14 sion of the watercraft during fishing or other recreational use.

15       (c) "Alternative energy system" means the small-scale gener-  
16 ation or release of energy from 1 or any combination of the fol-  
17 lowing types of energy systems:

18       (i) A fuel cell energy system.

19       (ii) A photovoltaic energy system.

20       (iii) A solar-thermal energy system.

21       (iv) A wind energy system.

22       (v) A CHP energy system.

23       (vi) A microturbine energy system.

24       (vii) A miniturbine energy system.

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1 (viii) A Stirling cycle energy system.

2 (ix) A battery cell energy system.

3 (x) A clean fuel energy system.

4 (xi) An electricity storage system.

5 (d) "Alternative energy technology" means equipment, compo-  
6 nent parts, materials, electronic devices, testing equipment, and  
7 related systems that are solely related to the following:

8 (i) The storage or generation of hydrogen for use in an  
9 alternative energy system.

10 (ii) The process of generating and putting into a usable  
11 form the energy generated by an alternative energy system.

12 Alternative energy technology does not include those component  
13 parts of an alternative energy system that are required regard-  
14 less of the energy source.

15 (iii) A microgrid. As used in this subparagraph,  
16 "microgrid" means the lines, wires, and controls to connect 2 or  
17 more alternative energy systems.

18 (e) "Alternative energy technology business" means a busi-  
19 ness engaged solely in the research, development, or manufactur-  
20 ing of alternative energy technology.

21 (f) "Alternative energy vehicle" means a motor vehicle manu-  
22 factured by an original equipment manufacturer that fully war-  
23 rants and certifies that the motor vehicle meets federal motor  
24 vehicle safety standards for its class of vehicles as defined by  
25 the Michigan vehicle code, 1949 PA 300, MCL 257.1 to 257.923, and  
26 certifies that the motor vehicle meets local emissions standards,

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1 that is propelled by an alternative energy system. Alternative  
2 energy vehicle includes the following:

3 (i) An alternative fueled vehicle. As used in this subpara-  
4 graph, "alternative fueled vehicle" means a motor vehicle that  
5 can only be powered by a clean fuel energy system and can only be  
6 fueled by a clean fuel.

7 (ii) A fuel cell vehicle. As used in this subparagraph,  
8 "fuel cell vehicle" means a motor vehicle powered solely by a  
9 fuel cell energy system.

10 (iii) An electric vehicle. As used in this subparagraph,  
11 "electric vehicle" means a motor vehicle powered solely by a bat-  
12 tery cell energy system.

13 (iv) A hybrid vehicle. As used in this subparagraph,  
14 "hybrid vehicle" means a motor vehicle that can only be powered  
15 by 2 or more alternative energy systems.

16 (v) A solar vehicle. As used in this subparagraph, "solar  
17 vehicle" means a motor vehicle powered solely by a photovoltaic  
18 energy system.

19 (vi) A hybrid electric vehicle. As used in this subpara-  
20 graph, "hybrid electric vehicle" means a motor vehicle powered by  
21 an integrated propulsion system consisting of an electric motor  
22 and combustion engine. Hybrid electric vehicle does not include  
23 a retrofitted conventional diesel or gasoline engine. A hybrid  
24 electric vehicle obtains the power necessary to propel the motor  
25 vehicle from a combustion engine and 1 of the following:

26 (A) A battery cell energy system.

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1 (B) A fuel cell energy system.

2 (C) A photovoltaic energy system.

3 (g) "Alternative energy zone" means a renaissance zone des-  
4 ignated as an alternative energy zone by the board of the  
5 Michigan strategic fund under section 8a of the Michigan renaiss-  
6 sance zone act, 1996 PA 376, MCL 125.2688a [, limited to the land  
transferred to the authority in section 22 of this act].

7 (h) "Authority" means the Michigan next energy authority  
8 created under section 3.

9 (i) "Battery cell" means a closed electrochemical system  
10 that converts chemical energy from oxidation and reduction reac-  
11 tions directly into electric energy without combustion and with-  
12 out external fuel and consists of an anode, a cathode, and an  
13 electrolyte.

14 (j) "Battery cell energy system" means 1 or more battery  
15 cells and an inverter or other power conditioning unit used to  
16 perform 1 or more of the following functions:

17 (i) Propel a motor vehicle or an alternative energy marine  
18 propulsion system.

19 (ii) Provide electricity that is distributed within a dwell-  
20 ing or other structure.

21 (iii) Provide electricity to operate a portable electronic  
22 device including, but not limited to, a laptop computer, a per-  
23 sonal digital assistant, or a cell phone. For purposes of this  
24 subparagraph only, a battery cell energy system shall only use  
25 advanced battery cells.

26 (k) "Board" means the governing body of an authority under  
27 section 4.

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1        (l) "CHP energy system" means an integrated unit that  
2 generates power and either cools, heats, or controls humidity in  
3 a building or provides heating, drying, or chilling for an indus-  
4 trial process that includes and is limited to both of the  
5 following:

6        (i) An absorption chiller, a desiccant dehumidifier, or heat  
7 recovery equipment.

8        (ii) One of the following:

9        (A) An internal combustion engine, an external combustion  
10 engine, a microturbine, or a miniturbine, fueled solely by a  
11 clean fuel.

12        (B) A fuel cell energy system.

13        (m) "Clean fuel" means 1 or more of the following:

14        (i) Methane.

15        (ii) Natural gas.

16        (iii) Methanol neat or methanol blends containing at least  
17 85% methanol.

18        (iv) Denatured ethanol neat or ethanol blends containing at  
19 least 85% ethanol.

20        (v) Compressed natural gas.

21        (vi) Liquefied natural gas.

22        (vii) Liquefied petroleum gas.

23        (viii) Hydrogen.

24        (n) "Clean fuel energy system" means a device that is  
25 designed and used solely for the purpose of generating power from  
26 a clean fuel. Clean fuel energy system does not include a

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1 conventional gasoline or diesel fuel engine or a retrofitted  
2 conventional diesel or gasoline engine.

3 (o) "Department" means the department of management and  
4 budget.

5 (p) "Electricity storage device" means a device, including a  
6 capacitor, that directly stores electrical energy without conver-  
7 sion to an intermediary medium.

8 (q) "Electricity storage system" means 1 or more electricity  
9 storage devices and inverters or other power conditioning  
10 equipment.

11 (r) "Fiscal year" means that annual period that is the  
12 fiscal year of the state government.

13 (s) "Fuel cell energy system" means 1 or more fuel cells or  
14 fuel cell stacks and an inverter or other power conditioning  
15 unit. A fuel cell energy system may also include a fuel  
16 processor. As used in this subdivision:

17 (i) "Fuel cell" means an electrochemical device that uses an  
18 external fuel and continuously converts the energy released from  
19 the oxidation of fuel by oxygen directly into electricity without  
20 combustion and consists of an anode, a cathode, and an  
21 electrolyte.

22 (ii) "Fuel cell stack" means an assembly of fuel cells.

23 (iii) "Fuel processor" means a device that converts a fuel,  
24 including, but not limited to, methanol, natural gas, or gaso-  
25 line, into a hydrogen rich gas, without combustion for use in a  
26 fuel cell.

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1       (t) "Fund" means the alternative energy technology fund  
2       created in section 20.

3       (u) "Governmental agency" means a department, agency, or  
4       commission of this state or of a county, city, village, or town-  
5       ship of this state.

6       (v) "Infrastructure" means a public facility as that term is  
7       defined in section 2 of the local development financing act, 1986  
8       PA 281, MCL 125.2152. Infrastructure also includes a facility or  
9       facilities that support an alternative energy technology project  
10      and that are located within an alternative energy zone.

11      (w) "Local unit of government" means a city, county, town-  
12      ship, or village.

13      (x) "Microturbine energy system" means a system that gener-  
14      ates electricity, composed of a compressor, combustor, turbine,  
15      and generator, fueled solely by a clean fuel with a capacity of  
16      not more than 250 kilowatts. A microturbine energy system may  
17      include an alternator and shall include a recuperator if the use  
18      of the recuperator increases the efficiency of the energy  
19      system.

20      (y) "Miniturbine energy system" means a system that gener-  
21      ates electricity, composed of a compressor, combustor, turbine,  
22      and generator, fueled solely by a clean fuel with a capacity of  
23      not more than 2 megawatts. A miniturbine energy system may  
24      include an alternator and shall include a recuperator if the use  
25      of the recuperator increases the efficiency of the energy  
26      system.



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1       (z) "Nonprofit corporation" means a nonprofit corporation  
2     created under the nonprofit corporation act, 1982 PA 162,  
3     MCL 450.2101 to 450.3192.

4       (aa) "Person" means an individual, partnership, corporation,  
5     limited liability company, association, governmental entity, or  
6     other legal entity.

7       (bb) "Photovoltaic energy system" means a solar energy  
8     device composed of 1 or more photovoltaic cells or photovoltaic  
9     modules and an inverter or other power conditioning unit. A pho-  
10    tovoltaic system may also include batteries for power storage.  
11    As used in this subdivision:

12       (i) "Photovoltaic cell" means an integrated device consist-  
13    ing of layers of semiconductor materials and electrical contacts  
14    capable of converting incident light directly into electricity.

15       (ii) "Photovoltaic module" means an assembly of photovoltaic  
16    cells.

17       (cc) "Project" means an alternative energy technology  
18    project and, in addition, means the acquisition, construction,  
19    conversion, conveyance, or leasing of land or facilities to carry  
20    out the purposes of this act and of the authority, including, but  
21    not limited to, acquisition of land or interest in land, build-  
22    ings, structures, or other planned or existing improvements to  
23    land, including leasehold improvements, machinery, equipment, or  
24    furnishings, which include, but are not limited to, the following  
25    facilities for alternative energy technology: office facilities;  
26    engineering facilities; research and development laboratories;  
27    manufacturing facilities; warehousing facilities; parts

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1 distribution facilities; storage facilities; testing facilities;  
2 facilities that support alternative energy technology projects;  
3 and equipment or facilities designed to produce energy from  
4 renewable resources.

5 (dd) "Small-scale" means a single energy system with a gen-  
6 erating capacity of not more than 2 megawatts or an integrated  
7 energy system with a generating capacity of not more than  
8 10 megawatts.

9 (ee) "Solar thermal energy system" means an integrated unit  
10 consisting of a sunlight collection device, a system containing a  
11 heat transfer fluid to receive the collected sunlight, and heat  
12 exchangers to transfer the solar energy to a thermal storage tank  
13 to heat or cool spaces or water or to generate electricity.

14 (ff) "Stirling cycle energy system" means a closed-cycle,  
15 regenerative heat engine that is fueled solely by a clean fuel  
16 and uses an external combustion process, heat exchangers, pis-  
17 tons, a regenerator, and a confined working gas, such as hydrogen  
18 or helium, to convert heat into mechanical energy. A Stirling  
19 cycle energy system may also include a generator to generate  
20 electricity.

21 (gg) "Wind energy system" means an integrated unit consist-  
22 ing of a wind turbine composed of a rotor, an electrical genera-  
23 tor, a control system, an inverter or other power conditioning  
24 unit, and a tower, which uses moving air to produce power.

25 Sec. 3. (1) There is created by this act a public body cor-  
26 porate and politic known as the Michigan next energy authority.  
27 The authority shall be located within the department.

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1       (2) The authority shall exercise its prescribed statutory  
2 powers, duties, and functions independently of the director of  
3 the department. The budgeting, procurement, and related adminis-  
4 trative functions of the authority shall be performed under the  
5 direction and supervision of the director of the department.

6       (3) The authority may contract with the department for the  
7 purpose of maintaining the rights and interests of the  
8 authority.

9       (4) The accounts of the authority may be subject to annual  
10 financial audits by the state auditor general. Records of the  
11 authority shall be maintained according to generally accepted  
12 accounting principles.

13       Sec. 4. (1) An authority created under this act is governed  
14 by a board consisting of 7 board members who are residents of  
15 this state.

16       (2) The members of a board shall be appointed by the gover-  
17 nor for the following initial terms:

18       (a) One board member representing the government of a county  
19 in which land transferred to the authority under section 22 is  
20 located, for a term of 3 years from a list of not less than  
21 3 names provided by the county board of commissioners.

22       (b) One board member representing the government of a city  
23 or township in which land transferred to the authority under  
24 section 22 is located, for a term of 4 years from a list of not  
25 less than 3 names provided by that city's legislative body or  
26 that township's board of trustees.

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1           (c) Five board members, 1 for a term of 2 years, 2 for a  
2 term of 3 years, and 2 for a term of 4 years.

3           (3) One of the board members described in subsection (2)(c)  
4 shall have not less than 10 years' experience in planning or real  
5 estate development.

6           (4) Upon appointment to the board under subsection (2) and  
7 upon the taking and filing of the constitutional oath of office  
8 prescribed in section 1 of article XI of the state constitution  
9 of 1963, a member of the board shall enter the office and exer-  
10 cise the duties of the office.

11           (5) After the first appointment, each member shall serve a  
12 term of 4 years, except that a person appointed to fill a vacancy  
13 shall be appointed for the balance of the unexpired term. The  
14 governor shall fill a vacancy in the office by appointment in the  
15 same manner as an appointment under subsection (2). A member of  
16 the board shall hold office until a successor has been appointed  
17 and qualified. A member of the board is eligible for  
18 reappointment.

19           (6) A member of the board or an officer, appointee, or  
20 employee of the authority is not subject to personal liability  
21 when acting in good faith within the scope of his or her author-  
22 ity or on account of liability of the authority. The board may  
23 indemnify a member of the board or an officer, appointee, or  
24 employee of the authority against liability arising out of the  
25 discharge of his or her official duties. The authority may  
26 indemnify and procure insurance indemnifying members of the board  
27 and other officers and employees of the authority from personal

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1 loss or accountability for liability asserted by a person with  
2 regard to bonds or other obligations of the authority or from any  
3 personal liability or accountability by reason of the issuance of  
4 the bonds or other obligations or by reason of any other action  
5 taken or the failure to act by the authority. The authority may  
6 also purchase and maintain insurance on behalf of any person  
7 against any liability asserted against the person and incurred by  
8 the person in any capacity or arising out of the status of the  
9 person as a member of the board or an officer or employee of the  
10 authority, whether or not the authority would have the power to  
11 indemnify the person against any liability under this section.  
12 The authority, pursuant to bylaw, contract, agreement, or resolu-  
13 tion of its board, may obligate itself in advance to indemnify  
14 persons.

15 (7) Members of the board and officers and employees of the  
16 authority are considered public servants subject to 1968 PA 317,  
17 MCL 15.321 to 15.330, and 1968 PA 318, MCL 15.301 to 15.310. A  
18 member of the board or an officer, employee, or agent of the  
19 authority shall discharge the duties of the position in a nonpar-  
20 tisan manner, in good faith, in the best interests of the author-  
21 ity, and with the degree of diligence, care, and skill that an  
22 ordinarily prudent person would exercise under similar circum-  
23 stances in a like position. In discharging duties of the office,  
24 a member of the board or an officer, employee, or agent of the  
25 authority, when acting in good faith, may rely upon a majority  
26 vote of a quorum of the board, upon the opinion of counsel for  
27 the authority, upon the report of an independent appraiser

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1 selected with reasonable care by the board, or upon financial  
2 statements of the authority represented to the member of the  
3 board, officer, employee, or agent to be correct by the officer  
4 of the authority having charge of its books or accounts or stated  
5 in a written report by the auditor general or a certified public  
6 accountant or a firm of accountants to fairly reflect the finan-  
7 cial condition of the authority.

8 (8) The board shall establish policies and procedures  
9 requiring periodic disclosure of relationships that may give rise  
10 to conflicts of interest. The board shall require that a member  
11 of the board who has a direct or indirect interest in any matter  
12 before the authority disclose the member's interest and any rea-  
13 sons reasonably known to the member of the board why the transac-  
14 tion may not be in the best interest of the public before the  
15 board takes any action with respect to the matter. The disclo-  
16 sure shall become part of the record of an authority's  
17 proceedings. A member of the board who has an interest in a con-  
18 tract before the authority, as set forth in section 2(2) of 1968  
19 PA 317, MCL 15.322, shall not take part in the negotiation or  
20 approval of the contract.

21 (9) The governor shall designate 1 member of the board to  
22 serve as its chairperson. The board shall elect a  
23 vice-chairperson, secretary, and any additional officers of the  
24 board considered necessary by the board from among its members.  
25 With the exception of the chairperson, who shall serve a 4-year  
26 term, all officers of the board shall be elected annually by the

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1 board. Members of the board shall serve without compensation,  
2 but shall be reimbursed for actual and necessary expenses.

3 Sec. 5. (1) Upon the appointment of at least 4 members of  
4 the board under section 4, the board may hold its first meeting.  
5 If fewer than 4 members of the board have been appointed under  
6 section 4 within 30 days after the date on which the authority  
7 was created, a majority of those board members appointed may hold  
8 the first meeting of the board after the expiration of that  
9 30-day period. The first meeting of the board shall be held not  
10 more than 60 days after the creation date of the authority.

11 (2) Except for those powers reserved or delegated to a chief  
12 executive officer of the authority by this act or by the board,  
13 the board shall not delegate any power of the board to any other  
14 officer or committee of the authority. The board may withdraw  
15 from the chief executive officer any power that the board dele-  
16 gates to the chief executive officer.

17 (3) The board shall organize and adopt its own policies,  
18 procedures, schedule of regular meetings, and a regular meeting  
19 date, place, and time. The board shall conduct all business at  
20 public meetings held in compliance with the open meetings act,  
21 1976 PA 267, MCL 15.261 to 15.275. Public notice of the time,  
22 date, and place of each meeting shall be given in the manner  
23 required by the open meetings act, 1976 PA 267, MCL 15.261 to  
24 15.275.

25 (4) A writing prepared, owned, used, in the possession of,  
26 or retained by the board in the performance of an official  
27 function shall be made available to the public in compliance with

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1 the freedom of information act, 1976 PA 442, MCL 15.231 to  
2 15.246.

3 (5) A board may act only by resolution. A majority of the  
4 members of the board serving, or of any committee of the board,  
5 shall constitute a quorum for the transaction of business. A  
6 vote of a majority of the members of the board serving at the  
7 time of the vote is necessary to approve the issuance by the  
8 authority of bonds, to approve or amend the annual budget of the  
9 authority, or to hire, remove, discharge, or set the salary of  
10 the chief executive officer. Except as otherwise provided in  
11 this act, a vote of the majority of the board members present at  
12 a meeting at which a quorum is present constitutes the action of  
13 the board or of the committee.

14 (6) Before the beginning of each fiscal year, the board  
15 shall prepare a budget containing an itemized statement of the  
16 estimated current operational expenses and the expenses for the  
17 operation and development of the land under the jurisdiction of  
18 the board, the amount necessary to pay the principal and interest  
19 of any outstanding bonds or other obligations of the authority  
20 maturing during the ensuing fiscal year or that have previously  
21 matured and are unpaid, an estimate of the revenue of the author-  
22 ity from all sources for the ensuing fiscal year, and other  
23 amounts necessary to further the purposes of this act. The board  
24 shall adopt that budget in accordance with the uniform budgeting  
25 and accounting act, 1968 PA 2, MCL 141.421 to 141.440a, and shall  
26 submit it to the department for its approval. The authority's  
27 budget shall be funded by proceeds derived from the conveyance of



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1 land held by the authority and any gifts, grants, loans, and  
2 other aids from any person or the federal, this state, or a local  
3 government or any agency of the federal, this state, or a local  
4 government.

5       Sec. 6. (1) The board may appoint a person, other than a  
6 member of the board, to serve as the chief executive of the  
7 authority, to whom the authority may delegate any of its adminis-  
8 trative powers and authorization. The chief executive shall be  
9 an ex officio member, without vote, of the board and shall not be  
10 considered in determining the presence of a quorum, and shall  
11 have professional qualifications commensurate with the responsi-  
12 bility of the position. During employment, the chief executive  
13 shall not have a financial interest in facilities or projects  
14 over which the authority has jurisdiction or power to act.  
15 Before entering upon the duties of his or her office, the chief  
16 executive shall take and file the constitutional oath of office  
17 provided in section 1 of article XI of the state constitution of  
18 1963.

19       (2) Subject to the approval of the board, the chief execu-  
20 tive shall supervise, and be responsible for, all of the  
21 following:

22       (a) The performance of the functions of the authority under  
23 this act.

24       (b) A regular report describing the activities and financial  
25 condition of the authority.

26       (c) The issuance of bonds and notes approved by the board.

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1       (d) The negotiation and establishment of compensation and  
2 other terms and conditions of employment for employees of the  
3 authority.

4       (e) The negotiation, supervision, and enforcement of con-  
5 tracts entered into by the authority and the supervision of con-  
6 tractors and subcontractors of the authority in the performance  
7 of their duties.

8       (f) All other activities or functions that the board consid-  
9 ers necessary.

10       (3) If considered necessary by the board, the chief execu-  
11 tive may appoint a chief financial officer who shall be the trea-  
12 surer of the authority, who shall have professional qualifica-  
13 tions commensurate with the responsibility of the position.  
14 Notwithstanding any law or charter provision to the contrary, the  
15 chief financial officer of the authority shall receive all money  
16 belonging to the authority or arising or received in connection  
17 with the land over which jurisdiction has been transferred to the  
18 authority, from whatever source derived. Money of the authority  
19 shall be deposited, invested, and paid by the chief financial  
20 officer only in accordance with this act or with policies, proce-  
21 dures, ordinances, or resolutions adopted by the board. The  
22 chief financial officer shall provide the board with copies of  
23 all reports made by the chief financial officer to the chief  
24 executive officer.

25       (4) The board may employ legal and technical experts, pri-  
26 vate consultants and engineers, accountants, and other agents or  
27 employees for rendering professional and technical assistance and

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1 advice as may be necessary. The authority shall determine the  
2 qualifications, duties, and compensation of those it employs.

3 [(5) The chief executive officer and the chief financial officer  
4 shall be a resident of this state.

5 ]

6 Sec. 7. (1) Except as otherwise provided in this act, the  
7 authority may do all things necessary to implement the purposes  
8 of this act, including, but not limited to, all of the  
9 following:

10 (a) Adopt, amend, and repeal bylaws for the regulation of  
11 its affairs and the conduct of its business.

12 (b) Adopt an official seal and alter the seal at the plea-  
13 sure of the board.

14 (c) Sue and be sued in its own name and plead and be  
15 impleaded.

16 (d) Solicit and accept gifts, grants, loans, and other  
17 assistance from any person or the federal, the state, or a local  
18 government or any agency of the federal, the state, or a local  
19 government or participate in any other way in any federal, state,  
20 or local government program.

21 (e) Research and publish studies, investigations, surveys,  
22 and findings on the development and use of alternative energy  
23 technology.

24 (f) Manage and oversee an alternative energy zone on land  
25 owned by the authority and receive designation of renaissance  
26 zone status for the alternative energy zone.

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1 (g) Finance, direct, or otherwise aid in the planning,  
2 construction, and design of alternative energy technology  
3 businesses and infrastructure located within an alternative  
4 energy zone.

5 (h) Lay out, design, construct, acquire, operate, lease,  
6 sell, and convey planned sites within an alternative energy zone,  
7 subject to the restrictions contained in this act.

8 (i) Make grants, loans, and investments; guarantee and  
9 insure loans, leases, bonds, notes, or other indebtedness,  
10 whether public or private; and issue letters of credit.

11 (j) Construct; acquire by gift, purchase, installment pur-  
12 chase, or lease; and reconstruct, improve, repair, or equip a  
13 project or any part of a project, including related  
14 infrastructure.

15 (k) Borrow money and issue bonds and notes to finance part  
16 or all of the project costs of a project and secure those bonds  
17 and notes by mortgage, assignment, or pledge of any of its money,  
18 revenues, income, and properties. The authority provided by this  
19 subdivision includes, but is not limited to, issuing bonds and  
20 notes to acquire and install machinery, equipment, furnishings,  
21 and other personal property, notwithstanding that the authority  
22 does not own or propose to own or finance the building or land in  
23 or near to which the machinery, equipment, furnishings, and other  
24 personal property are or will be located.

25 (l) Acquire or contract to acquire from a person, a munici-  
26 pality, the federal or state government, or an agency of the  
27 federal or state government, leaseholds, real [property located inside  
the alternative energy zone] or personal

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1 property, or any interest in real [property located inside the  
alternative energy zone] or personal property and own,  
2 hold, clear, improve, and rehabilitate and sell, assign,  
3 exchange, transfer, convey, lease, mortgage, or otherwise dispose  
4 of or encumber leaseholds, real [property located inside the alternative  
energy zone] or personal property, or any  
5 interest in real [property located inside the alternative energy zone] or  
personal property, as is convenient for the  
6 accomplishment of the purposes of this act and of the authority.

7 (m) Procure insurance against any loss in connection with  
8 the authority's property, assets, or activities.

9 (n) Invest any money of the authority, at the board's dis-  
10 cretion, in any bond, note, or other obligation determined proper  
11 by the board, and name and use depositories for its money.

12 (o) Contract for goods and services and engage personnel as  
13 necessary and engage the services of private consultants, manag-  
14 ers, legal counsel, engineers, accountants, and auditors for  
15 rendering professional financial assistance and advice payable  
16 out of any money of the authority.

17 (p) Charge, impose, and collect fees and charges in connec-  
18 tion with any transaction and provide for reasonable penalties  
19 for delinquent payment of fees or charges.

20 (q) Indemnify and procure insurance indemnifying any members  
21 of the board from personal loss or accountability from liability  
22 asserted by a person on the bonds or notes of the authority or  
23 from any personal liability or accountability by reason of the  
24 issuance of the bonds, notes, insurance, or guarantees; by reason  
25 of acquisition, construction, ownership, or operation of a  
26 project; or by reason of any other action taken or the failure to  
27 act by the authority.

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1           (r) Enter into a lease for the use or sale of a project.

2     The lease may provide for options to purchase or renew.

3           (s) Mortgage or create security interests in a project or  
4     any part of a project, or in a lease or loan, or in the rents,  
5     revenues, or sums to be paid under a lease or loan, in favor of  
6     the holders of the bonds or notes issued by the authority.

7           (t) Convey or release a project or any part of a project to  
8     a lessee, purchaser, or borrower under any agreement after provi-  
9     sion has been made for the retirement in full of the bonds or  
10    notes issued for that project under terms and conditions provided  
11    in the agreement or as may be agreed with the holders of the  
12    bonds or notes, at any time where the obligation of the lessee,  
13    purchaser, or borrower to make the payments prescribed shall  
14    remain fixed as provided in the agreement notwithstanding the  
15    conveyance or release, or as may otherwise be agreed with the  
16    holders of the bonds or notes.

17          (u) Promote the research, development, and manufacturing of  
18    alternative energy technology through the conveyance or lease of  
19    real property.

20          (v) Develop property to advance the purposes of the  
21    authority.

22          (w) Make and enter into contracts or agreements with a state  
23    university described in section 4 of article VIII of the state  
24    constitution of 1963, a community college, governmental agencies,  
25    local units of government, and nonprofit corporations necessary  
26    or incidental to accomplish the powers and duties of the

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1 authority under this act or other laws that relate to the  
2 purposes and responsibilities of the authority.

3 (x) Do all other things necessary to promote and increase  
4 the research, development, and manufacturing of alternative  
5 energy technology and to otherwise achieve the objectives and  
6 purposes of the authority.

7 (2) The authority shall not operate an alternative energy  
8 technology business or otherwise engage in the manufacturing of  
9 any commercial products.

10 (3) The enumeration of a power in this act shall not be con-  
11 strued as a limitation upon the general powers of the authority.

12 (4) The authority shall certify and provide proof of certi-  
13 fication of all of the following;

14 (a) An alternative energy marine propulsion system, an  
15 alternative energy system, and an alternative energy vehicle that  
16 has not been subject to a lease or a sale at retail as eligible  
17 for the exemption provided under section 4aa of the general sales  
18 tax act, 1933 PA 167, MCL 205.54aa.

19 (b) An alternative energy marine propulsion system, an  
20 alternative energy system, and an alternative energy vehicle that  
21 has not been subject to a lease or a sale at retail as eligible  
22 for the exemption provided under section 4w of the use tax act,  
23 1937 PA 94, MCL 205.94w.

24 (c) An alternative energy system, an alternative energy  
25 vehicle, personal property of an alternative energy technology  
26 business, and personal property of a business that is not an  
27 alternative energy technology business that is used solely for



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1 the purpose of researching, developing, or manufacturing an  
2 alternative energy technology eligible for the exemption provided  
3 under section 9i of the general property tax act, 1893 PA 206,  
4 MCL 211.9i.

5 (d) A taxpayer as an eligible taxpayer for the purposes of  
6 claiming the credit under section 39e(2) of the single business  
7 tax act, 1975 PA 228, MCL 208.39e.

8 (e) The qualified business activity and the baseline tax  
9 liability for qualified business activity of a taxpayer eligible  
10 under subdivision (d). As used in this subdivision, "baseline  
11 tax liability for qualified business activity" and "qualified  
12 business activity" means those terms as defined in section 39e of  
13 the single business tax act, 1975 PA 228, MCL 208.39e.

14 (5) The authority is encouraged not to purchase foreign  
15 goods or services, or both, if competitively priced and com-  
16 parable quality American goods or services, or both, are  
17 available. The authority shall encourage all business entities  
18 that locate or operate in the park to purchase American goods or  
19 services, or both. The authority shall encourage and support the  
20 creation and retention of jobs in this state, and the manufac-  
21 ture, assembly, and construction of alternative energy marine  
22 propulsion systems, alternative energy systems, and alternative  
23 energy vehicles, in this state.

24 Sec. 8. (1) The authority may acquire real [property located inside  
the alternative energy zone] or personal  
25 property or rights or interests in real [property located inside the  
alternative energy zone] or personal property by  
26 gift, devise, transfer, exchange, foreclosure, purchase, or  
27 otherwise on terms and conditions and in a manner the authority

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1 considers proper. The authority may own, lease as lessor,  
2 convey, demolish, relocate, or rehabilitate real or personal  
3 property or rights or interests in real or personal property,  
4 consistent with the purposes of this act. [The authority may acquire  
real property located outside the alternative energy zone only by gift  
or exchange. If the authority acquires real property outside the  
alternative energy zone by gift or exchange, the authority shall  
immediately place that real property on the market for sale for the  
appraised fair market value.]

5 (2) Real property [located inside the alternative energy zone]  
acquired by the authority by purchase may  
6 be obtained by any method deemed desirable by the authority. The  
7 authority may purchase real property [located inside the alternative  
energy zone] or rights or interests in  
8 real property [located inside the alternative energy zone] for any  
purpose the authority considers necessary

9 to carry out the purposes of this act, including, but not limited  
10 to, 1 or more of the following purposes:

11 (a) The use or development of property the authority has  
12 otherwise acquired for alternative energy technology or related  
13 infrastructure.

14 (b) To facilitate the assembly of property for sale or lease  
15 to any other public or private person, for use consistent with  
16 the purposes of this act.

17 Sec. 9. (1) The authority may control, hold, manage, main-  
18 tain, repair, lease as lessor, secure, prevent the waste or dete-  
19 rioration of, demolish, and take all other actions necessary to  
20 preserve the value of property held by the authority. The  
21 authority has exclusive jurisdiction over all property held by  
22 the authority. The authority may take or perform the following  
23 with respect to property held or owned by the authority:

24 (a) Grant or acquire a license, easement, or option with  
25 respect to property as the authority determines is reasonably  
26 necessary to achieve the purposes of this act.

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1           (b) Fix, charge, and collect rents, fees, and charges for  
2 use of property under the control of the authority.

3           (c) Pay any tax or special assessment due on property  
4 acquired or owned by the authority.

5           (d) Take any action, provide any notice, or institute any  
6 proceeding required to clear or quiet title to property held by  
7 the authority in order to establish ownership by and vest title  
8 to property in the authority.

9           (e) Develop a land use master plan consistent with the pur-  
10 poses of this act that is in reasonable accord with the master  
11 zoning plan of the local unit of government in which the property  
12 is located.

13           (2) The authority shall defend any actions concerning title  
14 claims against property held or owned by the authority and shall  
15 have exclusive jurisdiction over all property held or owned by  
16 the authority.

17           (3) All powers and duties granted by this act to the gover-  
18 nor, the authority, or the board, including the authority to  
19 convey, transfer, or dispose of property, may be exercised not-  
20 withstanding any charter provision or ordinance to the contrary.

21           (4) In the exercise of its powers and duties under this act  
22 and its powers relating to property held or owned by the authori-  
23 ty, the authority shall have complete control as fully and com-  
24 pletely as if it represented a private property owner and shall  
25 not be subject to restrictions imposed by any charter, ordinance,  
26 or resolution of a local unit of government.

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1       Sec. 10. (1) The authority may authorize and issue its  
2 bonds or notes payable solely from revenues or funds available to  
3 the authority. Bonds and notes of the authority are not a debt  
4 or liability of this state and do not create or constitute any  
5 indebtedness, liability, or obligations of this state or consti-  
6 tute a pledge of the faith or credit of this state. All author-  
7 ity bonds and notes shall be payable solely from revenues or  
8 funds pledged or available for their payment as authorized in  
9 this act. Each bond and note shall contain on its face a state-  
10 ment to the effect that the authority is obligated to pay the  
11 principal of and the interest on the bond or note only from reve-  
12 nue or funds of the authority pledged for the payment of princi-  
13 pal and interest and that this state is not obligated to pay that  
14 principal and interest and that neither the faith and credit nor  
15 the taxing power of this state is pledged to the payment of the  
16 principal of or the interest on the bond or note.

17       (2) All expenses incurred in carrying out this section shall  
18 be payable solely from revenues or funds provided or to be pro-  
19 vided under this act. This act does not authorize the authority  
20 to incur any indebtedness or liability on behalf of or payable by  
21 this state.

22       (3) Bonds and notes issued under this act are not subject to  
23 the revised municipal finance act, 2001 PA 34, MCL 141.2101 to  
24 141.2821.

25       (4) The issuance of bonds and notes under this section is  
26 subject to the agency financing reporting act.

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1       Sec. 11. (1) The authority may issue from time to time  
2 bonds or notes in principal amounts the authority considers  
3 necessary to provide funds for any purpose, including, but not  
4 limited to, all of the following:

5       (a) The payment, funding, or refunding of the principal of,  
6 interest on, or redemption premiums on bonds or notes issued by  
7 the authority whether the bonds or notes or interest to be funded  
8 or refunded has or has not become due.

9       (b) The establishment or increase of reserves to secure or  
10 to pay authority bonds or notes or interest on those bonds or  
11 notes.

12       (c) The payment of interest on the bonds or notes for a  
13 period as the authority determines.

14       (d) The payment of all other costs or expenses of the  
15 authority incident to and necessary or convenient to carry out  
16 its corporate purposes and powers.

17       (2) The bonds or notes of the authority shall not be a gen-  
18 eral obligation of the authority but shall be payable solely from  
19 the revenues or funds, or both, pledged to the payment of the  
20 principal of and interest on the bonds or notes as provided in  
21 the resolution authorizing the bonds or notes.

22       (3) The bonds or notes of the authority:

23       (a) Shall be authorized by resolution of the authority.

24       (b) Shall bear the date or dates of issuance.

25       (c) May be issued as either tax-exempt bonds or notes or  
26 taxable bonds or notes for federal income tax purposes.

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1 (d) Shall be serial bonds, term bonds, or term and serial  
2 bonds.

3 (e) Shall mature at a time or times not exceeding 30 years  
4 from the date of issuance.

5 (f) May provide for sinking fund payments.

6 (g) May provide for redemption at the option of the author-  
7 ity at any time for any reason or reasons.

8 (h) May provide for redemption at the option of the bond-  
9 holder at any time for any reason.

10 (i) Shall bear interest at a fixed or variable rate or rates  
11 of interest per year or at no interest.

12 (j) Shall be registered bonds, coupon bonds, or both.

13 (k) May contain a conversion feature.

14 (l) May be transferable.

15 (m) Shall be in the form, denomination or denominations, and  
16 with such other provisions and terms as are determined necessary  
17 or beneficial by the authority.

18 Sec. 12. (1) The authority may authorize and approve an  
19 insurance contract, an agreement for a line of credit, a letter  
20 of credit, a commitment to purchase notes or bonds, an agreement  
21 to remarket bonds or notes, or any other transaction to provide  
22 security to assure timely payment of a bond or note.

23 (2) The authority may authorize payment from the proceeds of  
24 the notes or bonds, or other funds available, of the costs of  
25 issuance, including, but not limited to, fees for placement,  
26 charges for insurance, letters of credit, lines of credit,  
27 remarketing agreements, reimbursement agreements, or purchase or

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1 sales agreements or commitments, or agreements to provide  
2 security to assure timely payment of notes or bonds.

3 Sec. 13. Within limitations that shall be contained in the  
4 issuance or authorization resolution of the authority, the  
5 authority may authorize a member of the board, the chief execu-  
6 tive, or other officer of the authority to do 1 or more of the  
7 following:

8 (a) Sell and deliver and receive payment for notes or  
9 bonds.

10 (b) Refund notes or bonds by the delivery of new notes or  
11 bonds whether or not the notes or bonds to be refunded have  
12 matured or are subject to redemption.

13 (c) Deliver notes or bonds, partly to refund notes or bonds  
14 and partly for any other authorized purpose.

15 (d) Buy notes or bonds that are issued and resell those  
16 notes or bonds.

17 (e) Approve interest rates or methods for fixing interest  
18 rates, prices, discounts, maturities, principal amounts, denomi-  
19 nations, dates of issuance, interest payment dates, redemption  
20 rights, at the option of the authority or the holder, the place  
21 of delivery and payment, and other matters and procedures neces-  
22 sary to complete the transactions authorized.

23 (f) Direct the investment of any and all funds of the  
24 authority.

25 (g) Approve the terms of a contract and execute and deliver  
26 the contract subject to the restrictions of this part.



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1           (h) Approve the terms of any insurance contract, agreement  
2   for a line of credit, a letter of credit, a commitment to  
3   purchase notes or bonds, an agreement to remarket bonds or notes,  
4   an agreement to manage payment, revenue, or interest rate expo-  
5   sure, or any other transaction to provide security to assure  
6   timely payment of a bond or note.

7           (i) Perform any power, duty, function, or responsibility of  
8   the authority.

9           Sec. 14. A resolution authorizing bonds or notes may pro-  
10   vide for all of the following that shall be part of the contract  
11   with the holders of the bonds or notes:

12           (a) A pledge to any payment or purpose all or any part of  
13   authority revenues or assets to which its right then exists or  
14   may later come to exist, of money derived from the revenues or  
15   assets, and of the proceeds of bonds or notes or of an issue of  
16   bonds or notes, subject to any existing agreements with bondhold-  
17   ers or noteholders.

18           (b) A pledge of a loan, grant, or contribution from the fed-  
19   eral, state, or local government.

20           (c) The establishment and setting aside of reserves or sink-  
21   ing funds and the regulation and disposition of reserves or sink-  
22   ing funds subject to this act.

23           (d) Authorization for and limitations on the issuance of  
24   additional bonds or notes for the purposes provided for in the  
25   resolution and the terms upon which additional notes or bonds may  
26   be issued and secured.

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1           (e) The procedure, if any, by which the terms of a contract  
2 with noteholders or bondholders may be amended or abrogated, the  
3 number of noteholders or bondholders who are required to consent  
4 to the amendment or abrogation, and the manner in which consent  
5 may be given.

6           (f) A contract with the bondholders as to the custody, col-  
7 lection, securing, investment, and payment of any money of the  
8 authority. Money of the authority and deposits of money may be  
9 secured in the manner determined by the authority. Banks and  
10 trust companies may give security for the deposits.

11           (g) Vest in a trustee, or a secured party, the property,  
12 income, revenue, receipts, rights, remedies, powers, and duties  
13 in trust or otherwise as the authority determines necessary or  
14 appropriate to adequately secure and protect noteholders and  
15 bondholders or to limit or abrogate the right of the holders of  
16 bonds or notes of the authority to appoint a trustee under this  
17 act or to limit the rights, powers, and duties of the trustee.

18           (h) Provide the trustee, the noteholders, or the bondholders  
19 remedies that may be exercised if the authority fails or refuses  
20 to comply with this act or defaults in an agreement made with the  
21 holders of an issue of bonds or notes, which may include, but are  
22 not limited to, the following:

23           (i) By mandamus or other suit, action, or proceeding at law  
24 or in equity, to enforce the rights of the bondholders or note-  
25 holders and require the authority to carry out any other agree-  
26 ment with the holders of those notes or bonds and to perform the  
27 duties of the authority under this act.

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1           (ii) Bring suit upon the notes or bonds.

2           (iii) By action or suit, require the authority to account as  
3 if it were the trustee of an express trust for the holders of the  
4 notes or bonds.

5           (iv) By action or suit in equity, enjoin any acts or things  
6 that may be unlawful or in violation of the rights of the holders  
7 of the notes or bonds.

8           (v) Declare the notes or bonds due and payable and, if all  
9 defaults shall be made good, then, as permitted by the resolu-  
10 tion, annul that declaration and its consequences.

11          (i) Any other matters of like or different character that in  
12 any way affect the security or protection of the bonds or notes.

13          Sec. 15. A pledge made by the authority shall be valid and  
14 binding from the time the pledge is made. The money or property  
15 pledged and then received by the authority immediately is subject  
16 to the lien of the pledge without physical delivery or further  
17 act. The lien of a pledge is valid and binding as against par-  
18 ties having claims of any kind in tort, contract, or otherwise  
19 against the authority and is valid and binding as against the  
20 transfers of money or property pledged, irrespective of whether  
21 parties have notice. The resolution, the trust agreement, or any  
22 other instrument by which a pledge is created is not required to  
23 be recorded in order to establish and perfect a lien or security  
24 interest in the property pledged.

25          Sec. 16. The members of the board and any person executing  
26 bonds or notes issued as provided in this act and any person  
27 executing any agreement on behalf of the authority is not

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1 personally liable on the bonds or notes by reason of their  
2 issuance.

3       Sec. 17. The authority may hold, cancel, or resell author-  
4 ity bonds or notes subject to or in accordance with an agreement  
5 with holders of authority bonds or notes.

6       Sec. 18. This state pledges to and agrees with the holders  
7 of bonds or notes issued in accordance with this act that this  
8 state shall not limit or restrict the rights vested in the  
9 authority by this act to fulfill the terms of an agreement made  
10 with the holders of authority bonds or notes or in any way impair  
11 the rights or remedies of the holders of the bonds or notes of  
12 the authority until the bonds and notes, together with interest  
13 on the bonds or notes and interest on any unpaid installments of  
14 interest, and all costs and expenses in connection with an action  
15 or proceedings by or on behalf of those holders are fully met,  
16 paid, and discharged.

17       Sec. 19. Notwithstanding any restriction in any other law,  
18 this state and a public officer, local unit of government, agency  
19 of this state or a local unit of government, an intergovernmental  
20 entity created under the laws of this state; a bank, trust com-  
21 pany, savings bank and institution, savings and loan association,  
22 investment company, or other person carrying on a banking busi-  
23 ness; an insurance company, insurance association, or other  
24 person carrying on an insurance business; or an executor, admin-  
25 istrator, guardian, trustee, or other fiduciary may legally  
26 invest funds belonging to them or within their control in bonds

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1 or notes issued under this act, and authority bonds or notes  
2 shall be authorized security for public deposits.

3 Sec. 20. (1) The Michigan alternative energy technology  
4 fund is created under the jurisdiction and control of the author-  
5 ity and may be administered for the general operations of the  
6 authority and to secure any notes and bonds of the authority.

7 (2) The authority may receive money or other assets from any  
8 source for deposit into the fund. The authority shall credit to  
9 the fund interest and earnings from fund investments.

10 (3) Money in the fund at the close of the fiscal year shall  
11 remain in the fund and shall not lapse to any other fund.

12 (4) The authority shall expend money from the fund only for  
13 the purposes provided in this act.

14 (5) The authority shall deposit into the fund all money it  
15 receives from the sale, transfer, or lease of property under this  
16 act. The authority shall credit to the fund the proceeds of the  
17 sale of notes or bonds to the extent provided for in the autho-  
18 rizing resolution of the authority and any other money made  
19 available to the authority for the purposes of the fund.

20 Sec. 21. The authority created under this act shall be  
21 exempt from and shall not be required to pay taxes on property,  
22 both real [property located inside the alternative energy zone] and  
23 personal, belonging to the authority, which is used  
24 for a public purpose. [Real property owned by the authority located  
25 outside an alternative energy zone is subject to taxes levied under the  
26 general property tax act, 1893 PA 206, MCL 211.1 to 211.157.] Property  
27 of the authority is public prop-  
erty devoted to an essential public and governmental function and  
purpose. The authority's income and operation, including bonds  
or notes issued by the authority or the interest and income  
derived from the bonds or notes, are exempt from all taxes and

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1 special assessments of this state or a political subdivision of  
2 this state.

3 Sec. 22. (1) There is transferred to the authority, without  
4 consideration, certain parcels of state owned property located in  
5 York township, Washtenaw county, Michigan, and further described  
6 as follows:

7 (a) Parcel #1: All of section 2, t4s, r6e, washtenaw  
8 county, Michigan, lying westerly of interstate highway us-23  
9 except the north 1,200 feet thereof. The above described parcel  
10 contains approximately 342 acres, subject to survey, and to all  
11 easements and restrictions of record, if any.

12 (b) Parcel #2: the east 1/2 of section 3, t4s, r6e, wash-  
13 tenaw county, Michigan, except the north 1/2 of the northeast 1/4  
14 of said section 3, containing approximately 302 acres, subject to  
15 survey, and to all easements and restrictions of record, if any.

16 (c) Parcel #3: the northwest 1/4 of section 3, t4n, r6e,  
17 washtenaw county, Michigan lying easterly of the conrail rail-  
18 road, containing approximately 53 acres, subject to survey, and  
19 to all easements and restrictions of record, if any.

20 (d) Parcel #4: beginning at the north 1/4 corner of section  
21 11, t4s, r6e, washtenaw county, Michigan, thence south 89 degrees  
22 49' 45" west 1,485.77 feet, on the north line of said section 11;  
23 thence south 01 degrees 32' 29" east 948.23 feet; thence north 89  
24 degrees 49' 45" east 490.01 feet; thence north 01 degrees 32' 29"  
25 west 239.65 feet; thence north 89 degrees 49' 45" east 998.63  
26 feet, to the north-south 1/4 line of said section 11; thence  
27 north 01 degrees 46' 23" west 708.65 feet, on said north-south

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1 1/4 line to the point of beginning; containing 26.88 acres, more  
2 or less, subject to survey, and to all easements and restrictions  
3 of record, if any.

4 (2) The descriptions of the parcels in subsection (1) are  
5 approximate and for purposes of transfer are subject to adjust-  
6 ments as the state administrative board or the attorney general  
7 considers necessary by survey or other legal description. These  
8 parcels of land are subject to any easements, rights-of-way, or  
9 restrictions existing at the time of transfer, if any.

10 Sec. 23. (1) Upon completion of the transfer described in  
11 section 22, the authority, on behalf of this state and for the  
12 purposes of this act, may convey for value as determined under  
13 section 24, or may convey a leasehold in, any portion or all of  
14 the parcels of property described in section 22.

15 (2) Any reuse or development of the property conveyed or  
16 leased under this act shall be done by the authority in con-  
17 formance with a plan developed by the authority. The authority  
18 may enter into an agreement with a state university governed by a  
19 control board under section 4 of article VIII of the state con-  
20 stitution of 1963, a local unit of government, a governmental  
21 agency, or a nonprofit corporation to create this plan or develop  
22 the property conveyed.

23 Sec. 24. (1) Notwithstanding any other provisions to the  
24 contrary, value shall be determined by the authority under sec-  
25 tion 22 based on the property's highest and best use in accord-  
26 ance with the plan described in section 23 and the purposes of  
27 the authority. The authority may, on terms and conditions, and



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1 in a manner for consideration the authority considers proper,  
2 fair, and valuable, including for no monetary consideration,  
3 convey, sell, transfer, exchange, lease as lessor, or otherwise  
4 dispose of property or rights or interests in property in which  
5 the authority holds a legal interest to any public or private  
6 person for the specific purpose of fulfilling this act. The  
7 authority shall obtain an appraisal of the property.

8 Consideration received from any conveyance of the authority's  
9 real or personal property shall be deposited in the fund created  
10 under section 20 of this act.

11 (2) Any conveyance of the property described in [section 22]  
12 shall provide for all of the following:

13 (a) That the property shall be used for public purposes or  
14 to further the public purposes of this act, as determined by the  
15 authority pursuant to the purposes in this act, and that upon  
16 termination of that use or use for any other purpose, the author-  
17 ity may reenter and repossess the property, terminating the  
18 grantee's estate in the property.

19 (b) That any subsequent conveyance by the grantee or the  
20 grantee's successors shall also be subject to the "exclusive use"  
21 and right of reentry and possession provisions of  
22 subdivision (a).

23 (c) That if the grantee or the grantee's successor disputes  
24 the authority's exercise of its rights of reentry and possession  
25 and fails to promptly deliver possession of the property to this  
26 state, the attorney general, on behalf of this state, may bring

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1 an action to quiet title to, and regain possession of, the  
2 property.

3 (3) A conveyance authorized under this act shall be by quit-  
4 claim deed approved by the attorney general and shall convey all  
5 rights held by the state to coal, oil, gas, and other minerals  
6 found on or under the property conveyed.

7 (4) Except as otherwise provided in this act, or as the  
8 authority otherwise agrees, any proceeds received by the author-  
9 ity may be retained by the authority for the purposes of this  
10 act.

11 Sec. 25. This act shall be construed liberally to effectuate  
12 the legislative intent and its purposes. All powers granted  
13 shall be cumulative and not exclusive and shall be broadly interpreted  
14 to effectuate the intent and purposes and not as a limitation  
15 of powers.

16 Sec. 26. (1) This state shall reimburse intermediate school  
17 districts each year for all tax revenue lost on property previously  
18 subject to the collection of taxes under the general property  
19 tax act, 1893 PA 206, MCL 211.1 to 211.157, as the result of  
20 the exemption of property under section 9i of the general property  
21 tax act, 1893 PA 206, MCL 211.9i.

22 (2) This state shall reimburse local school districts each  
23 year for all tax revenue lost on property previously subject to  
24 the collection of taxes under the general property tax act, 1893  
25 PA 206, MCL 211.1 to 211.157, as the result of the exemption of  
26 property under section 9i of the general property tax act, 1893  
27 PA 206, MCL 211.9i.

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1       (3) This state shall reimburse the school aid fund for all  
2 revenues lost on property previously subject to the collection of  
3 taxes under the general property tax act, 1893 PA 206, MCL 211.1  
4 to 211.157, as the result of the exemption of property under sec-  
5 tion 9i of the general property tax act, 1893 PA 206, MCL  
6 211.9i. Foundation allowances calculated under section 20 of the  
7 state school aid act of 1979, 1979 PA 94, MCL 388.1620, shall not  
8 be reduced as a result of lost revenues from the exemption of  
9 property under section 9i of the general property tax act, 1893  
10 PA 206, MCL 211.9i.