



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536

BILL ANALYSIS



Telephone: (517) 373-5383
Fax: (517) 373-1986
TDD: (517) 373-0543

Senate Bill 1135 (as introduced 2-26-08)
Sponsor: Senator Gilda Z. Jacobs
Committee: Finance

Date Completed: 3-5-08

CONTENT

The bill would create the "Zoological Authorities Act" to do the following:

- Allow a county to form a zoological authority.**
- Require a county board of commissioners to adopt articles of incorporation in order to establish an authority.**
- Permit an authority to contract for zoological services with an accredited zoological institution; enter into other contracts; and provide privileges and services for residents of the county.**
- Allow an authority to levy a tax of up to 0.1 mill upon the property in the county, with approval of the electors of the county.**
- Require an authority to reimburse the county and a municipality for election costs they incurred, if a tax were approved.**

Formation of Authority; Board

Any county could form a zoological authority, which would be an authority under Article IX, Section 6 of the State Constitution. A zoological authority would be a public corporate body with the power to sue and be sued and would possess all the powers necessary for carrying out the purposes of its formation. (Article IX, Section 6 limits the total amount of general ad valorem taxes imposed upon real and tangible personal property. The limitations do not apply to taxes imposed by a city, village, charter county, charter township, charter authority, or other authority, whose tax limitations are provided by charter or by general law.)

To initiate the establishment of an authority, articles of incorporation would have to be prepared by a majority of the members of the county board of commissioners of the county establishing the authority. The articles of incorporation would have to include all of the following:

- The name of the authority.
- The size of the board of the authority, which would have to be composed of an odd number of members; the qualifications and terms of office of board members; the manner of appointing the board members; and the filling of vacancies in the office of board member.
- The purpose of the authority.
- Any other matters considered advisable.

The articles would have to be adopted and could be amended by an affirmative vote of a majority of the members of the county board of commissioners. Before the articles or amendments were adopted, they would have to be published at least once in a newspaper

generally circulated within the county. The adoption of articles or amendments would have to be evidenced by an endorsement on them by the clerk of the county.

Upon adoption, a printed copy of the articles or the amended articles would have to be filed with the Secretary of State by the county clerk. The authority's articles of incorporation, or amendments to the articles, would take effect upon the filing.

A vacancy would occur on the board of an authority if any of the events set forth in Section 3 of Chapter 15 of the Revised Statutes of 1846 happened (e.g., the incumbent died, resigned, was removed from office, or was convicted of an "infamous crime"). Board members could be removed by the county board of commissioners for good cause after a public hearing. Vacancies would have to be filled in the manner provided for in the authority's articles of incorporation.

A majority of the members of the board would constitute a quorum for the purpose of conducting business and exercising the powers of an authority. Official action could be taken by an authority upon the vote of a majority of the board members present, unless the authority adopted bylaws requiring a larger number.

A board member could not receive compensation for services as a member of the board but would be entitled to reimbursement for reasonable expenses incurred in the discharge of his or her duties.

The board would be subject to the Open Meetings Act and the Freedom of Information Act.

At its first meeting, the board would have to elect a chairperson, a secretary, a treasurer, and any other officers it considered necessary. The board could adopt bylaws to govern its procedures.

Authority Functions & Finances

A zoological authority could do one or more of the following:

- Contract for zoological services with an accredited zoological institution.
- Levy a tax (as provided below).
- Enter into contracts incidental or necessary for the accomplishment of the proposed Act.
- Provide privileges and services at an accredited zoological institution for residents of the county creating the authority, which could include discounted admission fees, discounted membership fees, discounts for schoolchildren, and access to educational programs.

("Accredited zoological institution" would mean an institution located in this State that is accredited by the Association of Zoos and Aquariums. "Zoological services" would mean the operation of an accredited zoological institution that is open to the general public.)

The board of an authority would have to obtain an annual audit of the authority, and report on the audit and auditing procedures, in the manner provided by the Uniform Budgeting and Accounting Act. The audit would have to be in accordance with generally accepted government auditing standards as promulgated by the United States General Accounting Office, and would have to satisfy Federal regulations relating to Federal grant compliance audit requirements. An authority also would have to prepare budgets and appropriations acts in the manner provided by the Uniform Budgeting and Accounting Act.

If an authority ended a fiscal year in a deficit condition, the authority would have to file a financial plan to correct the deficit condition in the same manner as provided in Section 21(2) of the Revenue Sharing Act. (Under that section, if a local unit of government ends its fiscal year in a deficit condition, the local unit must formulate and file a financial plan

within 90 days after the beginning of the fiscal year to correct this condition. The local unit must file the financial plan with the Department of Treasury for evaluation and certification that the plan ensures that the deficit condition is corrected. Upon certification by the Department, the local unit must institute the plan.)

The State Treasurer, the Attorney General, a prosecuting attorney, bank, certified public accountant, certified public accounting firm, or other person would have the same powers, duties, and immunities with respect to the authority as provided for local units in Sections 6 to 20 of the Uniform Budgeting and Accounting Act. (Those sections pertain to audits, budgets, appropriations, expenditures, and violations.)

The board could authorize funds of the authority to be invested or deposited in any investment or depository authorized under Section 1 of Public Act 20 of 1943 (which pertains to the investment of surplus funds of political subdivisions and limits investments to certain instruments and depositories).

Taxes

A zoological authority could levy a tax of up to 0.1 mill for a period of not more than 20 years on all of the taxable property within the county for the purpose of providing revenue to an accredited zoological institution that was an accredited zoological institution as of the date of the electors' approval of the levy. The authority could levy the tax only upon the approval of a majority of the electors in the county voting on the tax at an election held on a regular election date as provided in the Michigan Election Law. The proposal for a tax would have to be submitted to a vote of the electors of the authority by resolution of the board.

A ballot proposal for a tax would have to state the amount and duration of the millage and the purposes for which it could be used. A proposal for a tax could not be placed on the ballot unless the proposal was adopted by a resolution of the board and certified by the board within 60 days before the election to the county clerk for inclusion on the ballot. The proposal would have to be certified for inclusion on the ballot at the next eligible election, as specified by the board's resolution.

Not more than two elections could be held in a calendar year on a proposal for an authority tax. The county election commission would have to provide ballots for an election. An election would have to be conducted by the city and township clerks and election officials of the municipalities located within the county.

If an election for a tax were to be held in conjunction with a general election or a State primary election, the notices of close of registration and election would have to be published as provided for by the State election laws. Otherwise, the clerk of the county would have to publish these notices. The notices would have to include the ballot language of the proposal.

The results of the election would have to be canvassed by the board of county canvassers of the county, which would have to make the final canvass based on the returns of the election inspectors of the municipalities in that county. The board of county canvassers would have to certify the results of the election to the board of the authority.

If a majority of the electors in the county voting on the question of a tax approved the proposal, the tax levy would be authorized. The tax would have to be levied and collected at the same time and in the same manner as provided by the General Property Tax Act. The clerk of the county would have to charge the authority and the authority would have to reimburse the county for the actual costs it incurred in the election for the tax.

If a municipality conducted the election and a majority of the electors in the county voting on the question approved the tax, the clerk of that municipality would have to charge the authority and the authority would have to reimburse the municipality for the actual costs it incurred in conducting the election if the election were not held in conjunction with a regularly scheduled election in that municipality.

In addition to costs reimbursed as described above, the county or a municipality would have to charge the authority and the authority would have to reimburse the county or municipality for actual costs that it incurred and that were exclusively attributable to an election for a tax authorized under the proposed Act. The actual costs that a county or municipality incurred would have to be based on the number of hours of work done in conducting the election, the rates of compensation of the workers, and the cost of materials supplied in the election.

Legislative Analyst: Craig Laurie

FISCAL IMPACT

The bill would have no fiscal impact on State revenue or expenditure. The bill would increase local unit revenue by an unknown amount, depending upon the taxable value in a county creating a zoological authority and the millage rate approved by voters. Expenditures from any increase in revenue would be restricted. The authority could use the tax revenue to offset certain existing revenue sources but, generally, the increased revenue would likely result in increased expenditures as well.

Fiscal Analyst: David Zin

S0708\1135sa

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.