

# HOUSE BILL No. 6509

September 24, 2008, Introduced by Rep. Clemente and referred to the Committee on New Economy and Quality of Life.

A bill to amend 1986 PA 281, entitled  
"The local development financing act,"  
by amending section 5 (MCL 125.2155) and by adding section 12c.

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

1           Sec. 5. (1) The authority shall be under the supervision and  
2 control of a board of 7 members appointed by the chief executive  
3 officer of the city, village, or urban township creating the  
4 authority subject to the approval of the governing body creating  
5 the authority. The board shall include 1 member appointed by the  
6 county board of commissioners of the county in which the authority  
7 is located. The board shall include 1 member representing a  
8 community or junior college in whose district the authority is  
9 located appointed by the chief executive officer of that community

1 or junior college. The board shall also include 2 members appointed  
2 by the chief executive officer of each local governmental unit,  
3 other than the city, village, or urban township creating the  
4 authority, which levied 20% or more of the ad valorem property  
5 taxes levied against all property located in an authority district  
6 in the year before the year in which the authority district is  
7 established. However, those additional members shall only vote on  
8 matters relating to authority districts located within their  
9 respective local unit of government. Of the members first  
10 appointed, an equal number, as near as possible, shall have terms  
11 designated by the governing body creating the authority of 1 year,  
12 2 years, 3 years, and 4 years. However, a member shall hold office  
13 until the member's successor is appointed. After the first  
14 appointment, each member shall serve for a term of 4 years. An  
15 appointment to fill a vacancy shall be made in the same manner as  
16 the original appointment. An appointment to fill an unexpired term  
17 shall be for the unexpired portion of the term only. Members of the  
18 board shall serve without compensation, but shall be reimbursed for  
19 actual and necessary expenses.

20 (2) The chairperson of the board shall be elected by the  
21 board.

22 (3) Before assuming the duties of office, a member shall  
23 qualify by taking and subscribing to the constitutional oath of  
24 office.

25 (4) The board shall adopt rules governing its procedure and  
26 the holding of regular meetings, subject to the approval of the  
27 governing body. Special meetings may be held when called in the

1 manner provided in the rules of the board. Meetings of the board  
2 shall be open to the public, in accordance with the open meetings  
3 act, ~~Act No. 267 of the Public Acts of 1976, being sections 15.261~~  
4 ~~to 15.275 of the Michigan Compiled Laws 1976 PA 267, MCL 15.261 TO~~  
5 15.275.

6 (5) Subject to notice and an opportunity to be heard, a member  
7 of the board may be removed before the expiration of his or her  
8 term for cause by the governing body. Removal of a member is  
9 subject to review by the circuit court.

10 (6) All expense items of the authority shall be publicized  
11 annually and the financial records shall be open to the public  
12 pursuant to the freedom of information act, ~~Act No. 442 of the~~  
13 ~~Public Acts of 1976, being sections 15.231 to 15.246 of the~~  
14 ~~Michigan Compiled Laws 1976 PA 442, MCL 15.231 TO 15.246.~~

15 (7) THE PROVISIONS OF SUBSECTIONS (1), (2), (3), (4), AND (5)  
16 OF THIS SECTION SHALL NOT APPLY TO AN AUTHORITY EXERCISING ITS  
17 POWERS UNDER SECTION 3(3).

18 SEC. 12C. (1) AN AEROTROPOLIS DEVELOPMENT CORPORATION  
19 ESTABLISHING AN AUTHORITY UNDER SECTION 3(3) SHALL NOTIFY THE  
20 MICHIGAN ECONOMIC DEVELOPMENT CORPORATION OF THE DESIGNATION OF AN  
21 AEROTROPOLIS DEVELOPMENT AREA.

22 (2) IF THE AEROTROPOLIS DEVELOPMENT CORPORATION DETERMINES  
23 THAT A SALE PRICE OR RENTAL VALUE AT BELOW MARKET RATE WILL ASSIST  
24 IN INCREASING EMPLOYMENT OR PRIVATE INVESTMENT IN AN AEROTROPOLIS  
25 DEVELOPMENT AREA, THE AUTHORITY AND MUNICIPALITY HAVE AUTHORITY TO  
26 DETERMINE THE SALE PRICE OR RENTAL VALUE FOR PUBLIC FACILITIES  
27 OWNED OR DEVELOPED BY THE AUTHORITY AND MUNICIPALITY IN THE

1 AEROTROPOLIS DEVELOPMENT AREA AT BELOW MARKET RATE.

2 (3) IF PUBLIC FACILITIES ARE CONVEYED OR LEASED AT LESS THAN  
3 FAIR MARKET VALUE OR AT BELOW MARKET RATES, THE TERMS OF THE  
4 CONVEYANCE OR LEASE SHALL INCLUDE LEGAL AND EQUITABLE REMEDIES AND  
5 RIGHTS TO ASSURE THAT THE PUBLIC FACILITIES ARE USED AS ELIGIBLE  
6 PROPERTY. LEGAL AND EQUITABLE REMEDIES AND RIGHTS MAY INCLUDE  
7 PENALTIES AND ACTUAL OR LIQUIDATED DAMAGES. IF PUBLIC FACILITIES  
8 FOR PUBLIC BENEFIT ARE PROVIDED TO PRIVATE OWNERS OR USERS OF  
9 ELIGIBLE PROPERTY, THE TERMS OF THE CONVEYANCE OR LEASE SHALL  
10 INCLUDE A BENEFIT TO THE PRIVATE OWNER OR USER.

11 (4) THE MICHIGAN ECONOMIC DEVELOPMENT CORPORATION SHALL MARKET  
12 THE AUTHORITY DISTRICT INCLUDING AEROTROPOLIS DEVELOPMENT AREAS.  
13 THE MICHIGAN ECONOMIC DEVELOPMENT CORPORATION, AN AEROTROPOLIS  
14 DEVELOPMENT CORPORATION, AND AN AUTHORITY MAY CONTRACT WITH EACH  
15 OTHER OR WITH ANY THIRD PARTY FOR THESE MARKETING SERVICES.

16 (5) FOR AN AUTHORITY EXERCISING ITS POWERS UNDER SECTION 3(3),  
17 EACH MUNICIPALITY WHICH IS A PARTY TO THE INTERLOCAL AGREEMENT OR  
18 ARTICLES OF INCORPORATION ESTABLISHING THE AEROTROPOLIS DEVELOPMENT  
19 CORPORATION BY A MAJORITY VOTE OF THE MEMBERS OF ITS GOVERNING BODY  
20 MAY MAKE A LIMITED TAX PLEDGE TO SUPPORT THE AUTHORITY'S TAX  
21 INCREMENT BONDS ISSUED UNDER SECTION 14 OR, IF AUTHORIZED BY THE  
22 VOTERS OF THE MUNICIPALITY, MAY PLEDGE ITS FULL FAITH AND CREDIT  
23 FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS. THE  
24 MUNICIPALITIES THAT HAVE MADE A PLEDGE TO SUPPORT THE AUTHORITY'S  
25 TAX INCREMENT BONDS MAY APPROVE BY RESOLUTION AN AGREEMENT AMONG  
26 THEMSELVES ESTABLISHING OBLIGATIONS EACH MAY HAVE TO THE OTHER  
27 PARTY OR PARTIES TO THE AGREEMENT FOR REIMBURSEMENT OF ALL OR ANY

1    **PORTION OF A PAYMENT MADE BY A MUNICIPALITY RELATED TO ITS PLEDGE**  
2    **TO SUPPORT THE AUTHORITY'S TAX INCREMENT BONDS.**

3           Enacting section 1. This amendatory act does not take effect  
4 unless all of the following bills of the 94th Legislature are  
5 enacted into law:

6           (a) Senate Bill No. \_\_\_\_\_ or House Bill No. 6502 (request no.  
7 07377'08 \*\*).

8           (b) Senate Bill No. \_\_\_\_\_ or House Bill No. 6503 (request no.  
9 07781'08 \*\*).

10          (c) Senate Bill No. \_\_\_\_\_ or House Bill No. 6504 (request no.  
11 07806'08 \*\*).

12          (d) Senate Bill No. \_\_\_\_\_ or House Bill No. 6505 (request no.  
13 07807'08 \*\*).

14          (e) Senate Bill No. \_\_\_\_\_ or House Bill No. 6506 (request no.  
15 08280'08 \*).

16          (f) Senate Bill No. \_\_\_\_\_ or House Bill No. 6507 (request no.  
17 08281'08 \*).

18          (g) Senate Bill No. \_\_\_\_\_ or House Bill No. 6508 (request no.  
19 08282'08 \*).

20          (h) Senate Bill No. \_\_\_\_\_ or House Bill No. 6510 (request no.  
21 08284'08 \*).

22          (i) Senate Bill No. \_\_\_\_\_ or House Bill No. 6511 (request no.  
23 08285'08 \*).