

Act No. 587
Public Acts of 2012
Approved by the Governor
January 7, 2013
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**STATE OF MICHIGAN
96TH LEGISLATURE
REGULAR SESSION OF 2012**

Introduced by Rep. Hammel

ENROLLED HOUSE BILL No. 4122

AN ACT to amend 1929 PA 312, entitled "An act to provide for the incorporation by any 2 or more cities, villages, or townships, or any combination or parts thereof, of a metropolitan district comprising territory within their limits for the purpose of acquiring, owning, and operating parks or public utilities for supplying sewage disposal, drainage, water, or transportation, or any combination thereof; to provide that a district may sell or purchase sewage disposal, drainage rights, water, or transportation facilities; to provide that a district may acquire and succeed to the rights, obligations, and property of such cities, villages, and townships respecting or connected with such functions or public utilities but subject to the approval of a majority of the electors voting thereon; to limit the rate of taxation of a district for its municipal purposes and restrict its powers of borrowing money and contracting debts; to provide the method and vote by which charters may be framed, adopted, and amended and laws and ordinances relating to its municipal concerns may be enacted; to define the powers, rights, and liabilities of a district; to provide for the dissolution of a district; and to prescribe penalties and provide remedies," by amending sections 3, 4, 7, 9, 9b, and 13 (MCL 119.3, 119.4, 119.7, 119.9, 119.9b, and 119.13), section 4 as amended by 2002 PA 410 and section 9b as added by 1998 PA 171, and by adding sections 2a, 17a, and 17b.

The People of the State of Michigan enact:

Sec. 2a. Notwithstanding any law or charter provision to the contrary, beginning on the effective date of the amendatory act that added this section, all elections in a metropolitan district shall be administered and conducted under the provisions of the Michigan election law, 1954 PA 116, MCL 168.1 to 168.992, and all elections in the metropolitan district shall be held on a regular election date as established under section 641 of the Michigan election law, 1954 PA 116, MCL 168.641.

Sec. 3. Any district incorporated under the provisions of this act shall in its charter provide:

(a) For the election or appointment of all district officers, including the term of office for all district officers.

(b) For the duties and compensation of its officers; for the keeping in the English language a written or printed journal of every session of the legislative body, which records shall be public; for publication of ordinances before they become effective; for adopting, continuing, amending, or repealing of ordinances; for a system of accounts which conforms to any uniform system required by law; for the levy, collection, and return of taxes for district purposes; and for the annual appropriation of money for district purposes. All taxes and appropriations shall be levied, collected, and returned through the proper assessing and taxation officer or officers of each city, village, or township or parts of same comprising the metropolitan district in the same manner as near as may be that other city, village, or township taxes are levied,

collected, and returned. The district legislative body or other officer or officers charged with the duty shall ascertain the total taxes or appropriation required for any year and shall certify to the proper assessing officer or officers of the city, village, or township or parts of same comprising the district its proportionate share thereof based upon the ratio that the total assessed valuation of each respective city, village, or township, or parts of same, bears to the total assessed value of all property real and personal in the entire district according to the last assessment in each of the respective units. The sum certified shall be a direct obligation of each city, village, or township or part of same and shall be paid to the metropolitan district on or before the next tax payment period. The sum shall be levied, collected, and returned by each city, village, or township in the same manner as other general taxes.

(c) For a sinking fund as provided by any general law applicable to cities.

(d) That the subjects of taxation for district purposes shall be the same as for state, county, and school purposes under the general law. However, the provisions of this section as to taxes and the levy, collection, and return of the taxes shall not apply to or be required in the charter of any metropolitan district incorporated for the purpose of the purchase, acquisition, or construction of any project or projects, or improving, enlarging, extending, or repairing thereof, authorized under the provisions of the revenue bond act of 1933, 1933 PA 94, MCL 141.101 to 141.140, but the charter shall contain provisions relative to the issuance of revenue bonds as in the act provided.

Sec. 4. Each district incorporated under the provisions of this act may provide in its charter for 1 or more of the following:

(a) For annually levying and collecting taxes in a sum not to exceed 1/2 of 1% of the assessed value of all real and personal property in the district.

(b) For borrowing money on the credit of the district in a sum not to exceed 2% of the assessed value of all real and personal property in the district for the purpose of acquiring, owning, purchasing, constructing, maintaining, or operating parks or public utilities, for supplying sewage disposal, drainage, water, or transportation, or any combination of these. A district may borrow money and issue bonds for any of the purposes described in this subdivision that will impose no liability upon the district but may be paid and secured only by special assessment levied against each parcel for the particular public improvement and for the payment of the bonds that are issued. A district incorporated under the provisions of this act, may, for the purpose of acquiring, owning, purchasing, constructing, or operating any public utility described in this subdivision, issue mortgage bonds that may be issued beyond the general limit of bonded indebtedness prescribed by this act. A mortgage bond issued beyond the general limits of bonded indebtedness shall not impose any liability upon the district but shall be secured only upon the property and revenues of the public utility, including the franchise, stating the terms upon which, in case of foreclosure, the purchaser may operate the public utility, which franchise shall in no case extend for a longer period than 20 years from the date of the sale of the utility and franchise on foreclosure. A mortgage bond shall be sold for not less than par, bear interest at a rate not in excess of 6%, and the total amount shall not exceed 60% of the original cost of the utility. The charter of any district shall provide for the creation of a sinking fund by setting aside a percentage of the gross or net earnings of the public utility as may be deemed sufficient for the payment of the mortgage bonds at maturity.

(c) For a lien on any property and for taxes for the payment of any bonds issued or for the cost and expense of making any improvement described in this section.

(d) For laying and collecting rents, tolls and excises.

(e) For a special assessment district to provide for the cost and expense of any park or public utility, or combination of a park and public utility, as provided in this section.

(f) For the purchase or condemnation of the franchises, if any exist, and of the property used in the operation of companies or individuals engaged in or operating public utilities for supplying sewage disposal, drainage, water, or transportation, or any combination of these. Each district may in its charter provide that it may make a contract upon the terms, including terms of present or deferred payment and upon the conditions and in the manner as the district may consider proper, to purchase, operate, and maintain any existing public utility property for supplying sewage disposal, drainage, water, or transportation, or any combination of these within or without its limits. If without its limits, the purchase must be incidental to the operation and maintenance of the public utility. A contract shall not bind the district unless the proposition on the contract shall receive the affirmative vote of 3/5 of the electors voting on the proposition at a regular or special election. In the event of any such purchase, the charter amendment and the contract to purchase shall provide for the creation of a sinking fund, into which shall be paid from time to time, from the earnings of the utility, sums sufficient to insure the payment of the purchase price and the performance of the obligations of the contract to the end that the entire cost of the public utility shall eventually be paid from its earnings. The powers in this subdivision are in addition to the other powers provided for in this act, and the exercise of these powers shall not impair or affect the right to exercise any other powers.

(g) For the purchase, gift, or condemnation of private property for any public use or purpose provided for and within the scope of its power. If by condemnation, the provisions of 1911 PA 149, MCL 213.21 to 213.25, or other appropriate provisions may be adopted and used for the purpose of instituting and prosecuting condemnation proceedings.

(h) For the initiative and referendum on all matters within the scope of its powers.

(i) For altering, amending, or repealing any charter affecting the district.

(j) For the enforcement of all local, police, sanitary, and other regulations as are not in conflict with the general laws of this state.

(k) For a system of civil service.

(l) For the exercise of all district powers in the management and control of district property and in the administration of metropolitan district government, whether the powers are expressly enumerated or not. For any act to advance the interest of the district and the good government and prosperity of the district and to pass all laws and ordinances relating to its concerns subject to the constitution and general laws of this state. The power to acquire a rapid transit system is expressly conferred by this act, which may consist of a tunnel, subway, surface, or elevated system, or any combination of these. A rapid transit system shall be considered to be transportation within the meaning of this act and the provisions relating to other public utilities shall also apply.

(m) A revenue bond issued under this act is subject to the revenue bond act of 1933, 1933 PA 94, MCL 141.101 to 141.140. All bonds issued under this act, other than revenue bonds, are subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

Sec. 7. The charter commission shall proceed to adopt a name for the district and frame a charter for the district as soon thereafter as practicable. The commission shall determine the rules of its proceedings and keep a journal. A roll call of its members on any question shall be entered on the journal at the request of any member. The commission shall fix the date of the first district election. The first district election shall be held on a regular election date as established under section 641 of the Michigan election law, 1954 PA 116, MCL 168.641. The county clerk of the county in which the largest number of registered electors of the metropolitan district reside shall publish the proposed charter in 1 or more newspapers published in the district at least once and not less than 2 weeks and not more than 4 weeks before the election, together with a notice of the election, and that on the date fixed for the election the question of adopting the proposed charter will be voted on, and that the elective officers provided for therein will be elected on the same date. Notice of the election shall also be posted in at least 10 public places within each city, village, or township in the proposed district not less than 10 days before the election. The commission shall have authority to study the area proposed to be included in the metropolitan district and submit recommendations to the legislative bodies of any city, village, or township to amend its original resolution in regards to same. The charter shall state with certainty the territory proposed to be included.

Sec. 9. Except as provided in section 9a, a metropolitan district charter passed pursuant to this act may be amended as provided in this section. An amendment may be proposed by the legislative body of the district on a 3/5 vote of the members or by an initiatory petition as provided in this act. If the amendment is proposed by the legislative body of the district, then the amendment shall be submitted to the electors of the district as provided in this act at the next regular election held in the district that occurs not less than 84 days after the proposal of the amendment. If the amendment is proposed by the initiatory petition as provided in this act, then the amendment shall be submitted to the electors of the district as provided in this act at the next regular election held in the district that occurs not less than 84 days after the filing of the petitions. The form in which the proposed amendment to a district charter shall be submitted on the ballot unless provided for in the initiatory petition shall be determined by resolution by the legislative body, and when provided for by the initiatory petition, the legislative body may add that explanatory matter as it considers advisable.

Sec. 9b. A petition under section 9a, 13, or 17a, including the circulation and signing of the petition, is subject to section 488 of the Michigan election law, 1954 PA 116, MCL 168.488. A person who violates a provision of the Michigan election law, 1954 PA 116, MCL 168.1 to 168.992, applicable to a petition described in this section is subject to the penalties prescribed for that violation in the Michigan election law, 1954 PA 116, MCL 168.1 to 168.992.

Sec. 13. The initiatory petition referred to in this act shall be addressed to and filed with the secretary or clerk of the metropolitan district where the territory is located. The petition shall state the body or organization, if any, or if there is no body or organization, then the person or persons who are primarily interested in and responsible for the circulation of the petition or petitions and the securing of the amendment or amendments. The petitions shall be verified by the affidavit or affidavits of the person or persons who obtained the signatures and shall be signed by a number of registered electors equal to 5% of the highest vote cast for the highest elective officer whose vote can be ascertained at the last district election. The verification shall state that the petitions were circulated at the request of and pursuant to the directions of the association, organization, person, or persons desiring the amendment. The verification shall also state that the signatures were obtained by the persons verifying the petition, that the signatures are the signatures of the persons purporting to sign the petition, and that each of them signed in his or her presence and that the person verifying the petition has good reason to believe and does believe that the signers obtained are duly qualified and registered electors of the district and are the identical persons their signatures purport to be. Within 14 days from the date of the receipt of any initiatory petition, the secretary or clerk shall check over the names on the petition with the

registration rolls of the territory affected or in some other proper manner determine whether the petitioners are duly qualified and registered voters of the district whose charter is to be affected by the amendment. If it appears that the number of duly qualified and registered electors signing the petition equals or exceeds 5% of the total vote cast for the highest elective officer whose vote can be ascertained at the last district election and in all other respects conforms to the provisions of this section, he or she shall certify to those facts and report the same to the legislative body of the district. If he or she finds that there are less than the required number, he or she shall report that fact to the legislative body of the district and no further action upon the petitions shall be had. If the petition conforms to this act, the legislative body of the metropolitan district shall submit the ballot question to the metropolitan district electors as provided in section 389 of the Michigan election law, 1954 PA 116, MCL 168.389. Other proposals, whether initiated by petition as provided in this section, or proposed by the legislative body, within the times respectively within this act provided, may be submitted to the metropolitan district electors as provided in section 389 of the Michigan election law, 1954 PA 116, MCL 168.389.

Sec. 17a. (1) In addition to the method for dissolving a metropolitan district as provided in section 16, the dissolution of a metropolitan district may be initiated by a petition signed by not less than 5% of the registered electors residing in the metropolitan district. The petition shall be filed with the county clerk of the county in which the largest number of registered electors in the metropolitan district reside as provided in section 646a(2) of the Michigan election law, 1954 PA 116, MCL 168.646a. The ballot question proposing the dissolution of the metropolitan district shall be submitted to the electors in the metropolitan district at the next regular election held in the metropolitan district that occurs not less than 84 days after the filing of the petition.

(2) The ballot question language for the proposed dissolution of the metropolitan district shall be in substantially the following form on the ballot:

“Shall the _____ be dissolved?

(legal name of metropolitan district)

Yes (☐)

No (☐).”.

(3) If a majority of the electors in the metropolitan district voting at the election approve of the dissolution of the metropolitan district, the metropolitan district shall be dissolved within 2 years after the election as provided in section 17b.

Sec. 17b. (1) If the dissolution of a metropolitan district is approved under section 17a, the legislative body of the metropolitan district is immediately dissolved and the powers and duties of the legislative body of the metropolitan district are transferred to the 5-member board of trustees as provided in subsection (2). In addition, all of the assets and liabilities of the metropolitan district are transferred to the the 5-member board of trustees as provided in subsection (2).

(2) Within 30 days after the election approving of the dissolution of the metropolitan district, the presiding or senior judge of probate of the county in which the largest number of registered electors of the metropolitan district reside, the county clerk of the county in which the largest number of registered electors of the metropolitan district reside, and the prosecuting attorney of the county in which the largest number of registered electors of the metropolitan district reside shall appoint a 5-member board of trustees composed of the following members who shall dissolve the metropolitan district:

(a) Two members who are elected county officers from the county in which the largest number of registered electors of the metropolitan district reside.

(b) Two members who are elected city, township, or village officers from a city, township, or village in the metropolitan district.

(c) One member who is a citizen residing in the metropolitan district.

(3) Within 2 years after the election approving the dissolution of the metropolitan district, the 5-member board of trustees as provided in subsection (2) shall do all of the following in order to dissolve the metropolitan district:

(a) Prepare or cause to be prepared the financial report as described in section 17(1)(b). A copy of the financial report shall be provided to the legislative body of each city, township, and village in the metropolitan district.

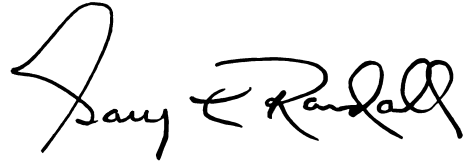
(b) Prepare a plan for the disposition of the assets and liabilities of the metropolitan district as provided in section 17(2).

(c) Deposit all records of the metropolitan district with the county clerk as provided in section 18.

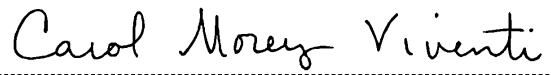
(d) Notify the governor in writing of the dissolution.

Enacting section 1. This amendatory act does not take effect unless House Bill No. 4121 of the 96th Legislature is enacted into law.

This act is ordered to take immediate effect.



Clerk of the House of Representatives



Secretary of the Senate

Approved

Governor