

# HOUSE BILL No. 6008

December 2, 2014, Introduced by Rep. Price and referred to the Committee on Local Government.

A bill to amend 1948 (1st Ex Sess) PA 31, entitled

"An act to provide for the incorporation of authorities to acquire, furnish, equip, own, improve, enlarge, operate, and maintain buildings, automobile parking lots or structures, transit-oriented developments, transit-oriented facilities, recreational facilities, stadiums, and the necessary site or sites therefor, together with appurtenant properties and facilities necessary or convenient for the effective use thereof, for the use of any county, city, village, or township, or for the use of any combination of 2 or more counties, cities, villages, or townships, or for the use of any school district and any city, village, or township wholly or partially within the district's boundaries, or for the use of any school district and any combination of 2 or more cities, villages, or townships wholly or partially within the district's boundaries, or for the use of any intermediate school district and any constituent school district or any city, village, or township, wholly or partially within the intermediate school district's boundaries; to provide for compensation of authority commissioners; to permit transfers of property to authorities; to authorize the execution of contracts, leases, and subleases pertaining to authority property and the use of authority property; to authorize incorporating units to impose taxes without limitation as to rate or amount and to pledge their full faith and credit for the payment of contract of lease obligations in anticipation of which bonds are issued by an authority; to provide for the issuance of bonds by such authorities; to validate action taken and bonds issued; to

provide other powers, rights, and duties of authorities and incorporating units, including those for the disposal of authority property; and to prescribe penalties and provide remedies,"

by amending sections 5, 6, 8b, and 10 (MCL 123.955, 123.956, 123.958b, and 123.960), sections 5 and 6 as amended by 1995 PA 147 and section 8b as amended by 2013 PA 256.

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

1       Sec. 5. (1) The articles of incorporation shall set forth all  
2 of the following:

3           (a) The name of the authority.

4           (b) The name or names of the unit or units incorporating the  
5 authority.

6           (c) The purpose for which the authority is incorporated.

7           (d) The number, terms, and manner of selection of the officers  
8 of the authority including its governing body, which shall be known  
9 as the "commission".

10          (e) The powers and duties of the authority and of its  
11 officers.

12          (f) The date upon which the authority ~~shall become~~ **BECOMES**  
13 effective.

14          (g) The officer required to publish **OR POST** the articles of  
15 incorporation. ~~and the name of the newspaper in which the articles~~  
16 ~~of incorporation shall be published.~~

17          (h) The county with whose clerk the articles of incorporation  
18 shall be filed, which shall be a county that is an incorporating  
19 unit or in which an incorporating unit is located.

20          (i) Any other matters considered expedient.

21          (2) A member of the governing body of an incorporating unit of

1 an authority is not eligible for membership or appointment to the  
2 authority.

3       Sec. 6. (1) ~~The~~ **BEFORE JANUARY 1, 2015, THE** officer designated  
4 in the articles of incorporation shall cause a copy of the articles  
5 of incorporation or a summary of the articles to be published once  
6 in a newspaper ~~designated in the articles of incorporation and~~  
7 circulating within the incorporating units accompanied by a  
8 statement that the right exists to question the incorporation in  
9 court as provided in this section. **BEGINNING JANUARY 1, 2015, THE**  
10 **OFFICER DESIGNATED IN THE ARTICLES OF INCORPORATION SHALL PROVIDE**  
11 **TIER B PUBLIC NOTICE WITH A LINK OF THE ARTICLES OF INCORPORATION**  
12 **OR A SUMMARY OF THE ARTICLES OF INCORPORATION, ACCOMPANIED BY A**  
13 **STATEMENT THAT THE RIGHT EXISTS TO QUESTION THE INCORPORATION IN**  
14 **COURT AS PROVIDED IN THIS SECTION, AS SET FORTH IN THE LOCAL**  
15 **GOVERNMENT PUBLIC NOTICE ACT.** The officer shall file with the  
16 county clerk of the county designated under section 5(1)(h) and the  
17 secretary of state a certified copy of the articles of  
18 incorporation with a certificate of the date and ~~newspaper of~~  
19 ~~publication.~~ **METHOD OF PROVIDING NOTICE.** The officer shall file  
20 with the recording officer of the authority, when selected, the  
21 original articles of incorporation with a certificate of the date  
22 and ~~newspaper of publication.~~ **METHOD OF PROVIDING NOTICE.**

23       (2) The authority ~~shall become~~ **BECOMES** effective at the time  
24 provided in the articles of incorporation.

25       (3) The validity of the incorporation ~~shall be~~ **IS** conclusively  
26 presumed unless questioned in a court of competent jurisdiction  
27 within 60 days after the filing of the certified copies with the

1 secretary of state and the county clerk.

2       Sec. 8b. (1) The governing body of an incorporating unit may,  
3 by a majority vote of its members, authorize the execution of a  
4 full faith and credit general obligation contract of lease with an  
5 authority.

6       (2) The governing body may adopt a resolution submitting the  
7 contract to a vote of the electors. If the governing body adopts  
8 the resolution submitting the contract to a vote of the electors,  
9 the contract shall not take effect unless approved by a majority of  
10 the electors of the incorporating unit voting on the question. The  
11 contract shall be submitted at the next general or primary election  
12 to be held not earlier than the twelfth Tuesday after the date of  
13 the resolution or at a special election to be held not earlier than  
14 the twelfth Tuesday after the date of the resolution as determined  
15 by the clerk of the incorporating unit subject to the Michigan  
16 election law, 1954 PA 116, MCL 168.1 to 168.992. The clerk shall  
17 also determine the ballot language of the question.

18       (3) ~~If~~ **BEFORE JANUARY 1, 2015, IF** the governing body does not  
19 adopt a resolution submitting the contract to a vote of the  
20 electors, the contract ~~shall become~~ **BECOMES** effective 60 days after  
21 a notice of intention of entering into the contract has been  
22 published in a newspaper of general circulation in the  
23 incorporating unit or units unless a sufficient petition for  
24 referendum requesting an election on the contract is filed with the  
25 clerk of the incorporating unit within 45 days after the notice is  
26 published. **BEGINNING JANUARY 1, 2015, IF THE GOVERNING BODY DOES**  
27 **NOT ADOPT A RESOLUTION SUBMITTING THE CONTRACT TO A VOTE OF THE**

1 ELECTORS, THE CONTRACT BECOMES EFFECTIVE 60 DAYS AFTER TIER B  
 2 PUBLIC NOTICE WITH A LINK OF THE NOTICE OF INTENTION OF ENTERING  
 3 INTO THE CONTRACT IS PROVIDED AS SET FORTH IN THE LOCAL GOVERNMENT  
 4 PUBLIC NOTICE ACT UNLESS A SUFFICIENT PETITION FOR REFERENDUM  
 5 REQUESTING AN ELECTION ON THE CONTRACT IS FILED WITH THE CLERK OF  
 6 THE INCORPORATING UNIT WITHIN 45 DAYS AFTER THE NOTICE IS PROVIDED.

7 A referendum petition shall be signed by not less than 10% or  
 8 15,000 of the registered electors of the incorporating unit,  
 9 whichever is less. If a sufficient petition is filed, the contract  
 10 shall not take effect unless approved by a majority of the electors  
 11 of the incorporating unit voting on the question. The clerk of the  
 12 incorporating unit shall determine the date of the election and the  
 13 ballot language as provided under subsection (2). ~~The~~ **BEFORE**

14 **JANUARY 1, 2015, THE** notice of intention of entering into contract  
 15 shall be directed to the electors and taxpayers of the  
 16 incorporating unit, shall be published in a newspaper ~~which~~ **THAT** is  
 17 determined by the governing body of the incorporating unit to be  
 18 the newspaper reaching the largest number of persons to whom the  
 19 notice is directed, and shall state the maximum amount of bonds  
 20 authorized to be issued, the purpose ~~thereof,~~ **OF THE BONDS,** source  
 21 of payment and right of referendum ~~thereon,~~ **ON THE BONDS,** and ~~such~~  
 22 **ANY** other information ~~as~~ the governing body of the incorporating  
 23 unit ~~may consider~~ **CONSIDERS** necessary to adequately inform the  
 24 taxpayers and electors of the incorporating unit of the nature of  
 25 the contractual obligation. **BEGINNING JANUARY 1, 2015, THE NOTICE**  
 26 **OF INTENTION OF ENTERING INTO CONTRACT SHALL BE DIRECTED TO THE**  
 27 **ELECTORS AND TAXPAYERS OF THE INCORPORATING UNIT AND TIER B PUBLIC**

1 NOTICE WITH A LINK OF THE NOTICE OF INTENTION OF ENTERING INTO  
 2 CONTRACT STATING THE MAXIMUM AMOUNT OF BONDS AUTHORIZED TO BE  
 3 ISSUED, THE PURPOSE OF THE BONDS, SOURCE OF PAYMENT AND RIGHT OF  
 4 REFERENDUM ON THE BONDS, AND ANY OTHER INFORMATION AS THE GOVERNING  
 5 BODY OF THE INCORPORATING UNIT CONSIDERS NECESSARY TO ADEQUATELY  
 6 INFORM THE TAXPAYERS AND ELECTORS OF THE INCORPORATING UNIT OF THE  
 7 NATURE OF THE CONTRACTUAL OBLIGATION SHALL BE PROVIDED AS SET FORTH  
 8 IN THE LOCAL GOVERNMENT PUBLIC NOTICE ACT. Signatures on the  
 9 petition shall be verified by the circulator under oath as the  
 10 actual signatures of the persons whose names are signed on the  
 11 petition and the clerk or other recording officer of the  
 12 incorporating unit shall have the same power to reject signatures  
 13 and petitions as city clerks under section 25 of the home rule city  
 14 act, 1909 PA 279, MCL 117.25. The number of registered electors in  
 15 any incorporating unit shall be determined by its registration  
 16 records, or, if it does not take registrations, by the appropriate  
 17 city and township registration records. A notice of intention and  
 18 publication **OR POSTING** is not required if the contract of lease  
 19 states that it is not a full faith and credit obligation of the  
 20 incorporating unit or units.

21 (4) An election under this section shall not be included in  
 22 any statutory or charter limitation on the number of special  
 23 elections to be called within a particular period of time.

24 Sec. 10. Amendments may be made to articles of incorporation  
 25 if adopted by the legislative body of each incorporating unit. +  
 26 ~~Provided, That no such~~ **AN** amendment shall **NOT** impair the obligation  
 27 of any bond or other contract. Any city or village ~~which~~ **THAT** is

1 the county seat of a county incorporating an authority under ~~the~~  
2 ~~provisions of this act ,~~ may become an incorporating unit of the  
3 authority by amendment to the articles of incorporation adopted by  
4 the legislative body of ~~such~~ **THE** city or village and by the  
5 legislative body of the county. ~~Any such~~ **THE** city or village shall  
6 thereafter be ~~deemed to be~~ **CONSIDERED** an incorporating unit. Each  
7 amendment shall be adopted, executed, and published **OR POSTED**, and  
8 certified printed copies filed, in the same manner as ~~above~~  
9 specified for the original articles of incorporation, ~~in so far as~~  
10 applicable.

11 Enacting section 1. This amendatory act does not take effect  
12 unless Senate Bill No. \_\_\_\_ or House Bill No. 5560 (request no.  
13 03796'13) of the 97th Legislature is enacted into law.