

# HOUSE BILL NO. 6400

November 12, 2020, Introduced by Reps. Coleman and Steven Johnson and referred to the Committee on Government Operations.

A bill to amend 1967 PA 204, entitled  
"Metropolitan transportation authorities act of 1967,"  
by amending sections 16 and 17 (MCL 124.416 and 124.417), section  
16 as amended by 2002 PA 328 and section 17 as amended by 1993 PA  
350.

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

**1**       Sec. 16. (1) The authority may borrow money and issue bonds to  
**2**       finance and to carry out its powers and duties. The bonds ~~shall be~~

1 **are** payable from and may be issued in anticipation of payment of  
 2 the proceeds of any of the methods of financing described in  
 3 section 14 or elsewhere in this act or as may be provided by law. A  
 4 political subdivision within the geographical boundaries of the  
 5 authority may contract to make payments, appropriations, or  
 6 contributions to the authority of the proceeds of taxes, special  
 7 assessments, or charges imposed and collected by the political  
 8 subdivision or out of any other ~~funds-money~~ legally available and  
 9 may pledge its full faith and credit in support of its contractual  
 10 obligation to the authority. The contractual obligation ~~shall-is~~  
 11 not ~~constitute~~ an indebtedness of a political subdivision within a  
 12 statutory or charter debt limitation. If the authority has issued  
 13 bonds in anticipation of payments, appropriations, or contributions  
 14 to be made to the authority ~~pursuant to~~ **under a** contract by a  
 15 political subdivision ~~having-that has~~ the power to levy and collect  
 16 ad valorem taxes, the political subdivision may obligate itself by  
 17 the contract ~~, and thereupon~~ may levy a tax on all taxable property  
 18 in the political subdivision ~~, which tax as to~~ **for contract**  
 19 **obligations in anticipation of which bonds are issued, to provide**  
 20 **sufficient money to fulfill its contractual obligation to the**  
 21 **authority. The** rate or amount ~~will-of the tax must~~ be as provided  
 22 in section 6 of article IX of the state constitution of 1963. ~~for~~  
 23 ~~contract obligations in anticipation of which bonds are issued, to~~  
 24 ~~provide sufficient money to fulfill its contractual obligation to~~  
 25 ~~the authority.~~

26 (2) The bonds of the authority ~~shall-must~~ be issued and sold  
 27 in compliance with the revised municipal finance act, 2001 PA 34,  
 28 MCL 141.2101 to 141.2821, except that the bonds may be issued for  
 29 any period of years, not exceeding 40 years.

(3) A public corporation may advance money or deliver property to the authority to finance or to carry out its powers and duties. The authority may agree to repay the advances or pay for the property within a period not exceeding 10 years, from the proceeds of its bonds or from other ~~funds~~**money** legally available for that purpose, with or without interest as may be agreed at the time of advance or of repayment. The obligation of the authority to make the repayment or payment may be evidenced by a contract or note or notes, which ~~contract or note~~ may pledge the full faith and credit of the authority.

(4) A political subdivision desiring to enter into a contract under subsection (1) ~~shall~~**must** authorize, by resolution of its governing body, the execution of the contract. ~~, which~~**Before January 1, 2022, a resolution authorized under this subsection shall**~~must~~ be published in a newspaper of general circulation within the political subdivision. ~~, and the~~**Beginning January 1, 2022, a resolution authorized under this subsection must be posted as provided in the local government public notice act. The** contract may be executed without a vote of the electors on the contract upon the expiration of 90 days after the date of the publication unless, within the 90-day period, a petition signed by not less than 5% of the registered electors residing within the limits of the political subdivision is filed with the clerk of the political subdivision requesting a referendum upon the execution of the contract, and in that event the contract ~~shall~~**must** not be executed until approved by the vote of a majority of the electors of the political subdivision qualified to vote and voting on the contract at a general or special election to be held not more than 90 days after the filing of the petition.

(5) If the bonds or notes sold by the authority involve the pledge or use of state collected or administered funds, the authority shall seek the approval of the state transportation commission.

(6) Notwithstanding any other provision of this section, an authority shall not issue bonds ~~, nor~~ **and shall not** use the revenues of the sale of bonds ~~, for~~ the construction, reconstruction, maintenance, or operation of a subway unless approved by concurrent resolution by the legislature.

(7) Notes issued and contracts entered into under this section are not subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

Sec. 17. (1) Except ~~in~~ **for** the purchase of unique articles or articles which, for any other reason, cannot be obtained in the open market and except as otherwise provided in this section and in section 24, **the authority must secure** competitive bids ~~shall be secured~~ before any purchase or sale, by contract or otherwise is made or before any contract is awarded for construction, alterations, supplies, equipment, repairs, or maintenance or for rendering any services to the authority other than professional services; and the purchase ~~shall~~ **must** be made from or the contract ~~shall~~ **must** be awarded to the lowest responsive and responsible bidder; or a sale to the highest responsive and responsible bidder. The authority may reject any ~~and or~~ all ~~such~~ bids or proposals. A purchase of ~~any a~~ unique article or other articles ~~which that~~ cannot be obtained in the open market ~~shall~~ **must** not be made without express approval of the board ~~where~~ **if** the amount involved is in excess of \$25,000.00.

(2) ~~All~~ **Before January 1, 2022, all** purchases and sales in

1 excess of \$25,000.00 ~~shall~~**must** be awarded after advertising in a  
 2 local newspaper of general circulation in the metropolitan area at  
 3 least 2 weeks before the bid opening. **Beginning January 1, 2022, at**  
 4 **least 2 weeks before the bid opening, all purchases and sales in**  
 5 **excess of \$25,000.00 must be awarded after notice is posted as**  
 6 **provided in the local government public notice act.** Bids ~~shall~~**must**  
 7 be publicly opened and read aloud at a date, time, and place  
 8 designated in the invitation to bid. Invitations to bid ~~shall~~**must**  
 9 be sent at least 1 week before the bid opening to at least 3  
 10 potential bidders who are qualified technically and financially to  
 11 submit bids, or a memorandum ~~shall~~**must** be kept on file showing  
 12 that less than 3 potential bidders who are ~~so~~qualified **technically**  
 13 **and financially to submit bids** exist in the market area within  
 14 which it is practicable to obtain bids.

15 (3) Except as otherwise provided in this section, written  
 16 price quotations from at least 3 qualified and responsible vendors  
 17 ~~shall~~**must** be obtained for all purchases and sales of \$25,000.00 or  
 18 less but over \$5,000.00, or a memorandum ~~shall~~**must** be kept on file  
 19 showing that less than 3 **qualified and responsible** vendors ~~so~~  
 20 ~~qualified~~ exist in the market area within which it is practicable  
 21 to obtain quotations.

22 (4) Purchases or sales under \$5,000.00 may be negotiated with  
 23 or without competitive bidding under procurement procedures as  
 24 promulgated and established by the general manager.

25 (5) Competitive bidding requirements may be waived if it is  
 26 determined by the general manager, or in such other manner as the  
 27 board may provide, by regulation, that an emergency directly and  
 28 immediately affecting service, or public health, safety, or welfare  
 29 requires immediate delivery of supplies, materials, equipment, or

1 services.

2 (6) Savings achieved by ~~the 1993 amendatory act that added~~  
3 ~~this subsection shall~~ **PA 350 must** be used as 1 funding source for  
4 ~~funds to construct~~ **the construction of** bus shelters at SMART bus  
5 stops. In the case of a state ~~trunkline~~ **trunk line** highway, a bus  
6 shelter constructed by SMART may include advertising on the  
7 shelter. This project ~~shall~~ **must** be competitively bid and ~~shall~~  
8 **must** be completed within 12 months.

9 Enacting section 1. This amendatory act does not take effect  
10 unless Senate Bill No. \_\_\_\_ or House Bill No. 6440 (request no.  
11 02449'19) of the 100th Legislature is enacted into law.