

# HOUSE BILL NO. 6088

November 13, 2024, Introduced by Reps. Farhat, Aiyash, Price, Wegela, Pohutsky, Morgan, Tyrone Carter, Xiong, MacDonell and Byrnes and referred to the Committee on Local Government and Municipal Finance.

A bill to amend 1986 PA 196, entitled  
"Public transportation authority act,"  
by amending sections 8, 18, and 29 (MCL 124.458, 124.468, and  
124.479), sections 8 and 18 as amended by 2006 PA 175.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 8. (1) ~~Except~~ **Subject to subsection (8), and except** as  
2 otherwise provided in ~~subsection (2),~~ **this section,** a political  
3 subdivision that is a member of a public authority or ~~the~~ **a** portion  
4 of a city, village, or township, ~~which~~ **if that** portion is a member

1 of a public authority, may be released from membership in the  
2 public authority if all of the following conditions are met:

3 (a) Adoption of a resolution by a majority of the members  
4 elected to and serving on the legislative body of the political  
5 subdivision requesting release from membership.

6 (b) Acceptance of the request by a 2/3 vote of the members  
7 serving on the board of the public authority, excluding the members  
8 representing the political subdivision requesting release.

9 (c) Payment or the provision for payment is made regarding all  
10 obligations of the political subdivision to the public authority or  
11 its creditors.

12 (2) ~~Notwithstanding~~ **Subject to subsection (8), notwithstanding**  
13 ~~subsection (1), an entity that is a~~ political subdivision ~~and that~~  
14 is a member of a public authority or ~~the a~~ portion of a city,  
15 village, or township, ~~which if that~~ portion is a member of a public  
16 authority, may be released from membership in the public authority  
17 if all of the following conditions are met:

18 (a) The entity desiring to withdraw from the authority has  
19 approved the question by a majority of the qualified and registered  
20 electors voting at a general or special election held in November  
21 before the expiration of a tax authorized to be levied under this  
22 act.

23 (b) Subject to subsection (6), a petition that bears the  
24 signatures of registered electors of the entity equal to at least  
25 20% of the number of votes cast in the political subdivision or  
26 portion of a city, village, or township for all candidates for  
27 governor in the last general election in which a governor was  
28 elected and that requires the governing body of the entity by  
29 resolution to submit the question to its electors at the next

1 general or special election is filed not less than 60 days before  
2 the election with the clerk of the entity presenting the question.

3 (c) The vote upon the question approving the resolution is by  
4 ballot and is in substantially the following form:

5 "Shall \_\_\_\_\_ (township, village, city, or other) as  
6 provided by 1986 PA 196 withdraw from the authority as a member?

7 Yes \_\_\_\_\_

8 No \_\_\_\_\_".

9 (d) All ballots are cast, canvassed, and the results of the  
10 election certified in the same manner as ballots on any other  
11 question submitted to the electors of the entity seeking withdrawal  
12 pursuant to the Michigan election law, 1954 PA 116, MCL 168.1 to  
13 168.992.

14 (e) Payment or the provision for payment is made regarding all  
15 obligations of the political subdivision to the public authority or  
16 its creditors. If withdrawal is approved by a majority of the  
17 electors voting on the question, the decision will take effect at  
18 the expiration date of the tax and neither the authority nor  
19 officials of the political subdivision may appeal or amend this  
20 decision.

21 (3) ~~A-Subject to subsection (8)~~, tax authorized to be levied  
22 by a public authority within the boundaries of the political  
23 subdivision or the portion of a political subdivision to be  
24 released shall continue to be levied for the period of time  
25 originally authorized and shall be paid over to the public  
26 authority originally authorized to be the recipient of the tax  
27 revenue. A political subdivision or portion of a political  
28 subdivision that has been released from an authority shall continue  
29 to receive transportation services from the authority until the

1 political subdivision or portion of the political subdivision is no  
2 longer required to pay a tax levied by the authority.

3 (4) ~~Release~~ **Subject to subsection (8), the release** of a  
4 political subdivision or portion of a political subdivision from a  
5 public authority shall be evidenced by an amendment to the articles  
6 of incorporation executed by the recording officer of a public  
7 authority and filed and published in the same manner as the  
8 original articles of incorporation.

9 (5) ~~A~~ **Subject to subsection (8), a** political subdivision or  
10 other entity that is part of a public authority under this act may  
11 withdraw from the public authority until the expiration of the  
12 thirtieth day following the date the public authority is  
13 incorporated or until the expiration of the thirtieth day after  
14 receiving notification under subsection (7), whichever is later,  
15 without meeting the conditions listed in subsection (1) or (2). If  
16 a public authority under this act has as a member a political  
17 subdivision that is part of a metropolitan statistical area, as  
18 defined by the United States department of commerce or a successor  
19 agency, and the metropolitan statistical area has a population of  
20 not less than 600,000 and not more than 1,500,000, a political  
21 subdivision or other entity that is part of the public authority  
22 may also withdraw from the public authority until the expiration of  
23 30 days after the date on which the board of the public authority  
24 adopts a resolution calling for an election for the purpose of  
25 levying a tax pursuant to section 18, without meeting the  
26 conditions listed in subsection (1) or (2). If all or a portion of  
27 a city, village, or township is part of an authority incorporating  
28 as a public authority under this act, the city, village, or  
29 township may also decide to only withdraw a portion of the entity

1 bounded by the lines described in section 4 from the public  
2 authority under the deadline established in this subsection. In  
3 addition, a political subdivision or other entity that is part of a  
4 public authority under this act may withdraw from the public  
5 authority in any year in which a tax authorized to be levied under  
6 this act expires, without meeting the conditions listed in  
7 subsection (1) or (2), if the political subdivision or entity makes  
8 the determination to withdraw by a vote of its legislative body  
9 held in January of that year. Further, if all or a portion of a  
10 city, village, or township is part of an authority incorporating as  
11 a public authority under this act, the city, village, or township  
12 may also decide to only withdraw a portion of the entity bounded by  
13 the lines described in section 4 from the public authority in that  
14 same January. However, if a tax is authorized to be levied in a  
15 political subdivision or portion of a political subdivision by a  
16 public authority under this act and the political subdivision or  
17 portion of a political subdivision withdraws pursuant to this  
18 subsection, the tax shall continue to be levied in the political  
19 subdivision or portion of a political subdivision for the period of  
20 time originally authorized. A political subdivision or portion of a  
21 political subdivision that withdraws from the authority shall  
22 continue to receive public transportation services from the  
23 authority until the political subdivision or portion of the  
24 political subdivision is no longer required to pay a tax levied by  
25 the authority.

26 (6) ~~A-Subject to subsection (8),~~ a petition under subsection  
27 (2), including the circulation and signing of the petition, is  
28 subject to section 488 of the Michigan election law, 1954 PA 116,  
29 MCL 168.488. A person who violates a provision of the Michigan

1 election law, 1954 PA 116, MCL 168.1 to 168.992, applicable to a  
2 petition described in subsection (2) is subject to the penalties  
3 prescribed for that violation in the Michigan election law, 1954 PA  
4 116, MCL 168.1 to 168.992.

5 (7) ~~An~~ **Subject to subsection (8),** an authority that forms  
6 under this act on or after May 1, 2006 shall notify all political  
7 subdivisions or portions of any city, village, or township that are  
8 included in the authority that the political subdivision or portion  
9 of the political subdivision is included in the authority. The  
10 authority shall include in this notification notice of the right to  
11 withdraw from the authority under this section. The political  
12 subdivision or portion of the political subdivision that is  
13 notified has 30 days after receiving the notification to withdraw  
14 from the authority pursuant to subsection (5).

15 (8) **Subsections (1) to (7) do not apply to a political**  
16 **subdivision within a county with a population of 1,500,000 or more**  
17 **that has a public transit authority under this act after that**  
18 **county's public transportation millage in effect on the effective**  
19 **date of the amendatory act that added this subsection expires.**

20 (9) **For a county that has a population of 1,500,000 or more**  
21 **and a public transit authority under this act, regardless of**  
22 **whether each political subdivision in the county is a member of the**  
23 **county's public transit authority before the effective date of the**  
24 **amendatory act that added this subsection, all political**  
25 **subdivisions within that county shall become a member of that**  
26 **county's public transit authority after that county's public**  
27 **transportation millage in effect on the effective date of the**  
28 **amendatory act that added this subsection expires.**

29 Sec. 18. (1) A public authority formed under this act may levy

1 a tax on all of the taxable property within the limits of the  
2 public authority for public transportation purposes as authorized  
3 by this act.

4 (2) The tax authorized in subsection (1) shall not exceed 5  
5 mills of the state equalized valuation on each dollar of assessed  
6 valuation of taxable property within the limits of the applicable  
7 public authority.

8 (3) The tax authorized under subsection (1) shall not be  
9 levied except upon the approval of a majority of the registered  
10 electors residing in the public authority affected and qualified to  
11 vote and voting on the tax at a general or special election. The  
12 election may be called by resolution of the board of the public  
13 authority. The recording officer of the public authority shall file  
14 a copy of the resolution of the board calling the election with the  
15 clerk of each affected county, city, or township not less than 60  
16 days before the date of the election. The resolution calling the  
17 election shall contain a statement of the proposition to be  
18 submitted to the electors. Each county, city, and township clerk  
19 and all other county, city, and township officials shall undertake  
20 those steps to properly submit the proposition to the electors of  
21 the county, city, and township at the election specified in the  
22 resolutions of the public authority. The election shall be  
23 conducted and canvassed in accordance with the Michigan election  
24 law, 1954 PA 116, MCL 168.1 to 168.992, except that if the public  
25 authority is located in more than 1 county, the election shall be  
26 canvassed by the state board of canvassers. The results of the  
27 election shall be certified to the board of the public authority  
28 promptly after the date of the election. Not more than 1 election  
29 may be held in a public authority in a calendar year for approval

1 of the tax authorized under subsection (1). If the election is a  
 2 special election, the public authority in which the election is  
 3 held shall pay its share of the costs of the election.

4 (4) ~~Except as otherwise provided in this subsection, the~~**The**  
 5 taxes authorized by this section may be levied at a rate and for a  
 6 ~~period of not more than 5~~**number of** years as determined by the  
 7 public authority in the resolution calling the election and as set  
 8 forth in the proposition submitted to the electors. ~~Taxes may be~~  
 9 ~~levied at a rate and for a period of not more than 25 years as~~  
 10 ~~determined by the public authority in the resolution calling the~~  
 11 ~~election and as set forth in the proposition submitted to the~~  
 12 ~~electors if the public authority seeking the levy is seeking the~~  
 13 ~~levy for public transit services that include a fixed guideway~~  
 14 ~~project authorized under 49 USC 5309.~~

15 (5) The tax rate authorized by this section shall be levied  
 16 and collected as are all ad valorem property taxes in ~~the~~**this**  
 17 state and the recording officer of the public authority shall at  
 18 the appropriate times certify to the proper tax assessing or  
 19 collecting officers of each tax collecting county, city, and  
 20 township the amount of taxes to be levied and collected each year  
 21 by each county, city, and township. Consistent with subsection (6),  
 22 the board of the public authority shall determine on which tax  
 23 roll, if there ~~be~~**is** more than 1, of each county, city, or township  
 24 that the taxes authorized by this section shall be collected. Each  
 25 tax assessing and collecting officer and each county treasurer  
 26 shall levy and collect the taxes certified by the public authority  
 27 and pay those taxes to the public authority by the time provided in  
 28 section 43 of the general property tax act, 1893 PA 206, MCL  
 29 211.43. The tax rate authorized by this section may be first levied



1 by the public authority as a part of the first tax roll of the  
 2 appropriate counties, cities, and townships occurring after the  
 3 election described in subsection (3). The tax may be levied and  
 4 collected on the July or December tax roll next following the date  
 5 of election, if the tax is certified to the proper tax assessing  
 6 officials not later than May 15 or September 15, respectively, of  
 7 the year in which the election is held.

8 (6) A public authority ~~which~~**that** is authorized to impose a  
 9 July property tax levy and ~~if it~~**that** determines to do so, ~~it~~  
 10 shall negotiate agreements with the appropriate cities and  
 11 townships for the collection of that levy. If a city or township  
 12 and the public authority fail to reach an agreement for the  
 13 collection by the city or township of the July property tax levy of  
 14 the public authority, the public authority then may negotiate,  
 15 until April 1, a proposed agreement with the county treasurer to  
 16 collect its July property tax levy against property located in that  
 17 city or township. If the county treasurer and the public authority  
 18 fail to reach an agreement for the collection by the county of the  
 19 July property tax levy of the public authority, the July property  
 20 tax levy shall be collected with the December property tax levy.  
 21 Any agreement negotiated under this subsection shall guarantee the  
 22 collecting unit its reasonable expenses. ~~The provisions of this~~  
 23 **This** subsection ~~shall~~**does** not apply to a city or township ~~which~~  
 24 **that** is levying a July property tax.

25 (7) If, pursuant to subsection (6), the public authority has  
 26 reached a proposed agreement with a county treasurer on the  
 27 collection of its July property tax levy against property located  
 28 in a city or township with which an agreement to collect this levy  
 29 could not be made pursuant to subsection (6), the public authority

1 shall notify by April 15 that city or township of the terms of that  
2 ~~fact~~**agreement** and the city or township shall have 15 days in which  
3 to exercise an option to collect the public authority's July  
4 property tax levy.

5 (8) Collection of all or part of a public authority's property  
6 tax levy by a treasurer pursuant to subsection (6) or (7) shall  
7 comply with all of the following:

8 (a) Collection shall be either 1/2 or the total of the  
9 property tax levy against the properties, as specified for that  
10 year in the resolution of the public authority.

11 (b) The amount the public authority has agreed to pay as  
12 reasonable collection expenses shall be stated in writing and  
13 reported to the state treasurer.

14 (c) Taxes authorized to be collected shall become a lien  
15 against the property on which **the taxes are** assessed, and due from  
16 the owner of that property, on July 1.

17 (d) Taxes shall be collected on or before September 14 and all  
18 taxes and interest imposed pursuant to subdivision (f) unpaid  
19 before March 1 shall be returned as delinquent on March 1. Taxes  
20 delinquent under this subdivision shall be collected pursuant to  
21 the general property tax act, 1893 PA 206, MCL 211.1 to ~~211.157.~~  
22 **211.155.**

23 (e) Interest shall be added to taxes collected after September  
24 14 at that rate imposed by section 59 of the general property tax  
25 act, 1893 PA 206, MCL 211.59, on delinquent property tax levies  
26 ~~which~~**that** became a lien in the same year.

27 (f) All or a portion of fees or charges, or both, authorized  
28 under section 44 of the general property tax act, 1893 PA 206, MCL  
29 211.44, may be imposed on taxes paid before March 1 and shall be

1 retained by the treasurer actually performing the collection of the  
2 July property tax levy of the public authority, regardless of  
3 whether all or part of these fees or charges, or both, have been  
4 waived by the township or city.

5 (9) An agreement for the collection of a July property tax  
6 levy of a public authority with a county treasurer shall include a  
7 schedule for delivering collections to the public authority.

8 (10) To the extent applicable and consistent with the  
9 requirements of this section, the general property tax act, 1893 PA  
10 206, MCL 211.1 to ~~211.157~~, **211.155**, shall apply to proceedings in  
11 relation to the assessment, spreading, and collection of taxes  
12 pursuant to this section. Additionally, in relation to the  
13 assessment, spreading, and collection of taxes pursuant to this  
14 section, the county treasurer shall have powers and duties similar  
15 to those prescribed by the general property tax act, 1893 PA 206,  
16 MCL 211.1 to ~~211.157~~, **211.155**, for township supervisors, township  
17 clerks, and township treasurers. However, this section ~~shall~~ **does**  
18 ~~not be considered to~~ transfer any authority over the assessment of  
19 property.

20 (11) If a county treasurer collects the July property tax levy  
21 of the public authority, the township or city shall deliver by June  
22 1 a certified copy of the assessment roll containing state  
23 equalized valuations for each parcel of taxable property in the  
24 township or city to the treasurer collecting the July property tax  
25 levy of the public authority. The county treasurer receiving this  
26 certified copy of the assessment roll shall remit the necessary  
27 cost incident to the reproduction of the assessment roll to the  
28 township or city.

29 (12) A county treasurer collecting taxes pursuant to this

1 section shall be bonded for tax collection in the same amount and  
2 in the same manner as a township treasurer would be for undertaking  
3 the duties prescribed by this section.

4 (13) An agreement for the collection of a July property tax  
5 levy between a public authority and a county may cover July  
6 collections for 2 years. If an agreement covers July collections  
7 for 2 years, the notice required by subsection (7) and the option  
8 to reconsider provided by subsection (7) shall not apply for July  
9 collections in the second year.

10 (14) If collections are made pursuant to this section by a  
11 county treasurer, all payments from a public authority for  
12 collecting its July property tax levy and all revenues generated  
13 from collection fees shall be deposited, when received or  
14 collected, in a fund ~~, which fund that~~ shall be used by the county  
15 treasurer to pay for the cost of collecting the public authority's  
16 July property tax levy.

17 Sec. 29. **(1) ~~Notwithstanding~~ Before the effective date of the**  
18 **amendatory act that added subsection (2), and notwithstanding** any  
19 other provision of this act, a political subdivision may obligate  
20 itself financially for a period over 5 years from the date the  
21 obligation is undertaken only if approved by majority vote of the  
22 electorate of the political subdivision.

23 **(2) Beginning on the effective date of the amendatory act that**  
24 **added this subsection, subsection (1) does not apply.**