

REGIONAL CONVENTION FACILITY AUTHORITY ACT (EXCERPT)
Act 554 of 2008

141.1357 Qualified metropolitan area; creation of authority; authority as municipal public body corporate and politic; powers, duties, and jurisdictions; name; transfer of qualified convention facility from qualified city to authority; exemption from taxes and special assessments; presumption of validity.

Sec. 7. (1) For an area of this state that is a qualified metropolitan area on the effective date of this act, an authority is created for the qualified metropolitan area on the effective date of this act. For an area of this state that becomes a qualified metropolitan area after the effective date of this act, an authority is created for the qualified metropolitan area on the date the area became a qualified metropolitan area. An authority created under this section shall be a municipal public body corporate and politic and a metropolitan authority authorized by section 27 of article VII of the state constitution of 1963 and shall possess the powers, duties, and jurisdictions vested in the authority under this act and other laws. The authority shall not be an authority or agency of this state. The name of an authority created under this section shall include the name of the qualified city located within the qualified metropolitan area and the phrase "regional convention facility authority".

(2) Before the transfer date, an authority may organize and exercise all powers, duties, and jurisdictions granted under this act, except the powers, duties, and jurisdictions related to the management and operation of a qualified convention facility. On the transfer date, an authority is vested with the additional powers, duties, and jurisdictions under this act related to the management, operation, and development of a qualified convention facility.

(3) It is the intent of the legislature that the transfer or lease of a qualified convention facility from a qualified city to an authority under this act and any payment required under section 19(9) represents at least a fair exchange of value for value for the qualified city considering, without limitation, all of the following:

(a) The net value of the qualified convention facility prior to the transfer date after deducting deferred maintenance obligations, operational deficits, repair or expansion needs, and other liabilities related to the qualified convention facility that are obligations of the qualified city.

(b) The benefits to the qualified city resulting from the transfer or lease of the qualified convention facility to the authority, including, but not limited to, assumption or payment of debt obligations of the qualified city by the authority, reductions in costs, liabilities or other obligations of the qualified city, additional revenues or other money not otherwise available for the qualified convention facility, and the positive economic impact to the qualified city likely to be generated by the operation of the qualified convention facility by the authority or any expansion or improvement of the qualified convention facility by the authority, especially economic impact resulting in the creation or retention of jobs and capital investment.

(c) Any bond proceeds, debt service payments, or other money payable directly or indirectly to the qualified city after the transfer date under this act, the state convention facility development act, 1985 PA 106, MCL 207.621 to 207.640, or the health and safety fund act, 1987 PA 264, MCL 141.471 to 141.479.

(4) The property of an authority created under this act is public property devoted to an essential public and governmental purpose. Income of the authority is for a public and governmental purpose.

(5) Except as otherwise provided in this subsection, the property of the authority created under this act and its income, activities, and operations are exempt from all taxes and special assessments of this state or a political subdivision of this state. Property of an authority and its income, activities, and operations that are leased to private persons are not exempt from any tax or special assessment of this state or a political subdivision of this state. Property of an authority is exempt from any ad valorem property taxes levied under the general property tax act, 1893 PA 206, MCL 211.1 to 211.155, or other law of this state authorizing the taxation of real or personal property. An authority is an entity of government for purposes of section 4a(1)(a) of the general sales tax act, 1933 PA 167, MCL 205.54a, and section 4(1)(h) of the use tax act, 1937 PA 94, MCL 205.94.

(6) The validity of the creation of an authority shall be conclusively presumed unless questioned in an original action filed in the court of appeals within 60 days after the creation of the authority under this section. The court of appeals has original jurisdiction to hear an action under this subsection. The court shall hear the action in an expedited manner.

(7) The validity of the transfer or lease of a qualified convention facility to an authority under this act shall be conclusively presumed unless questioned in an original action filed in the court of appeals within 30 days after the effective date of the amendatory act that added this subsection, or for a metropolitan area that becomes a qualified metropolitan area after the effective date of the amendatory act that added this subsection, 75 days after the date on which the metropolitan area becomes a qualified metropolitan area. The

court of appeals has original jurisdiction to hear an action under this subsection. The court shall hear the action in an expedited manner.

History: 2008, Act 554, Eff. Jan. 20, 2009;—Am. 2009, Act 63, Imd. Eff. July 2, 2009.