

**THE MARKET AUTHORITY ACT OF 1956**  
**Act 185 of 1956**

AN ACT to authorize cities to establish market authorities; to provide the powers and duties of such authorities; to provide that such authorities are not tax exempt; to authorize agreements with the United States; and to provide penalties for violations.

**History:** 1956, Act 185, Imd. Eff. Apr. 24, 1956.

*The People of the State of Michigan enact:*

**123.671 Short title.**

Sec. 1. This act shall be known and may be cited as “The market authority act of 1956”.

**History:** 1956, Act 185, Imd. Eff. Apr. 24, 1956.

**123.672 Market authority; construction of act.**

Sec. 2. This act shall be construed as cumulative authority for the exercise of the powers herein granted and shall not be construed to repeal any existing laws with respect thereto. The powers conferred by this act shall not be affected or limited by any other statute or by any charter, except as herein otherwise provided.

**History:** 1956, Act 185, Imd. Eff. Apr. 24, 1956.

**123.673 Market authority; establishment; powers; areas; “farm products” defined; location; board of directors; construction, repair, or ornamentation of market.**

Sec. 3. Any city, by ordinance, may establish a market authority, hereinafter also referred to as “the authority”, which shall be a corporate body having the responsibility to plan, establish, develop and supervise a public market for the reception, handling, storage and sale at wholesale of farm and food products. Any such public market shall be divided into 2 distinct areas. One area shall be devoted exclusively to facilities for the wholesale marketing of farm products as hereinafter defined. The other area shall be devoted to the wholesale marketing of food products and the authority shall have no interest in such area, or any part thereof, which is actually made use of but said authority may limit the type and nature of the use to be made of the whole or any part thereof in its conveyance of the real property which is sold to any person, firm, partnership or corporation. The authority shall have no interest in any improvements on the land or any part thereof of the area known as the food products marketing area.

“Farm products” as used in this act shall mean those products of agriculture which are unprocessed. “Food products” as used in this act shall mean those foods which have been processed.

Said market shall be located within or without the corporate limits of said city and said authority shall be authorized to purchase, acquire, construct, improve, enlarge, extend and/or repair said market and to furnish the services, facilities and commodities of said market to users within or without its corporate limits and to issue revenue bonds to carry out said purposes. Said ordinance shall fix the method of selecting the board of directors of said authority, the number thereof, which shall not be less than 5 nor more than 9, the qualifications of members of said board and their terms and compensation, if any. A city establishing a market authority as herein provided shall have power to appropriate such moneys from the general fund as may be required in addition to funds available from revenue bonds of the authority to insure the successful maintenance and operation of said market. In the event that any profit shall accrue from the operation of said market over and above payments required to be made on principal and interest on the bonds or for funds required to be established for the payment of said bonds and above costs of operation, such profit shall be transferred to the general fund of the city. Any construction, repair or ornamentation as respects the market shall be governed by the provisions of Act No. 187 of the Public Acts of 1905, as amended, being sections 570.101 to 570.105, inclusive, of the Compiled Laws of 1948.

**History:** 1956, Act 185, Imd. Eff. Apr. 24, 1956.

**123.674 Market authority; board of directors, powers.**

Sec. 4. The board of directors of the market authority shall have the following powers:

(1) To acquire by purchase, lease, or otherwise such land or any interest in land, or other property, real or personal, as may be necessary to the operation of the market and hold said property in the name of the authority, and to mortgage, sell, lease, rent, exchange, or otherwise dispose of any such property or any part thereof as it may deem advisable: Provided, however, That no real estate shall be sold unless the sale is approved by the governing body of the city and the trustee of the bondholders: Provided further, however, Of that property which is to remain within the market area the market authority shall sell only that property

which is outside of the wholesale farm products market and shall reserve the right in any conveyance made of such property to regulate its use and control said property in order to promote the purposes of the market authority and protect public health: Provided further, That such sale of this property shall be made only to persons who plan to use such property for the purpose of wholesale food products marketing or for the purpose of constructing and operating business establishments such as restaurants, filling stations, garages and warehouses for the convenience of the customers of the markets.

(2) To plan, build, construct, or operate, or cause to be built, constructed, or operated, such buildings, structures, equipment, and appurtenances thereto as may be necessary for the operation of the market.

(3) To borrow money, make and issue negotiable notes, bonds, refunding bonds, and other evidences of indebtedness or obligations (herein called "bonds") of the authority, said bonds to have a maturity date not longer than 40 years from the date of issue, and to secure the payment of such bonds or any part thereof by pledge or mortgage of all or any of its revenues, receipts or other assets, real or personal, and to make such agreements with the purchasers or holders of such bonds, or with others in connection with any such bonds (whether issued or to be issued), as the authority shall deem advisable, and in general to provide for the security for said bonds and the rights of the holders thereof: Provided, however, That no obligations incurred by the authority shall be a debt of the city, or a pledge of the credit or taxing power of the city.

(4) To employ a market manager qualified to operate a market of the type contemplated by the authority and such additional employees as may be necessary for the management and operation of the market.

(5) To fix the salaries of the market manager and any other authorized employees of the market.

(6) To fix, alter, charge and collect rentals and charges for stores, stalls, space, buildings, equipment and other appurtenances, privileges, and services furnished or performed in or in connection with the market for the purpose of providing for the payment of the expenses of the authority, the construction, improvement, repair, maintenance, and operation of its properties, the payment of the principal and interest on its obligations, and to fulfill the terms and provisions of any agreements made with the purchasers or holders of any such obligations; but the rentals and charges shall not be designed to render a profit to the authority.

(7) To promulgate reasonable rules or regulations, subject to approval by the governing body of the city, relating to the use of the market, including without limiting the generality of the foregoing, rules and regulations relating to hours of business, sanitation, traffic, and such other matters as are normally incidental to the proper management of a market; but no such rules or regulations shall fix or regulate prices, profits, or types of farm and food products dealt in.

(8) In its discretion, and after due notice to interested persons and an opportunity to be heard, to suspend or revoke any or all rights or privileges of any person violating the rules and regulations provided for in subdivision (7) above, enjoyed in connection with his activities in the market.

(9) To make contracts of any name and nature and to execute all instruments necessary or convenient for the carrying on of its business.

(10) To enter into and maintain contracts for all such types of insurance as it may deem necessary to protect the authority against loss.

(11) To enter into contracts of group insurance for the benefit of its employees, and to set up a retirement or benefit fund for such employees.

(12) To adopt and use a corporate seal.

(13) To make by-laws for the management and regulation of its affairs.

(14) To sue and be sued in its corporate name.

(15) To delegate to the market manager or other officers of the authority such duties and responsibilities in relation to the operation of the market as it may deem reasonably necessary.

(16) In general, to do such other acts and things as may be reasonably necessary or convenient to carry out the powers hereinabove enumerated, and to carry on the operations of a wholesale market for farm and food products in accordance with the general purposes of this act and the exercise of the powers herein granted in the construction, operation and maintenance of the market shall be deemed and held to be an essential governmental function, except that this provision shall not be construed to confer governmental tort immunity upon the market authority.

**History:** 1956, Act 185, Imd. Eff. Apr. 24, 1956.

### **123.675 Market authority; limitations on operations.**

Sec. 5. The following limitations shall govern the operations of the authority and its board of directors:

(1) The authority shall be subject to all the zoning, building, fire, sanitary, health and other police ordinances and regulations of the state and political subdivisions in which it is established.

(2) The authority shall have no power to discriminate against the sale on the market of any farm or food products, or against any producer of such products on account of county, state or political subdivisions in

which any such products are produced, or on account of the legal status of the producer or other person engaged in the marketing of any such products, or on account of the conditions of employment or the nature of the labor employed in the production or marketing of such products or on account of the method of transportation; but the authority shall take every reasonable precaution to prevent any such discrimination.

(3) The authority shall have no power to acquire, construct, maintain, or operate a market which is not operated primarily for the purpose of handling farm and food products at wholesale.

(4) No member of the board of directors shall be interested directly or indirectly in any transaction with the authority except in connection with his normal business operations in the market.

(5) No authority shall itself engage directly or indirectly in the purchase or sale of farm or food products, or engage in any business other than that of managing the market.

**History:** 1956, Act 185, Imd. Eff. Apr. 24, 1956.

### **123.676 Market authority; powers.**

Sec. 6. The authority shall have power:

(1) To issue bonds or notes for the purpose of acquiring and constructing markets. Said bonds or notes shall have such maturities, redemption rights shall bear such interest and shall have such other details as may be determined by the authority. Said bonds or notes shall be payable from the revenues of the authority. In the event that the authority secures mortgage insurance from the United States of America or any officer, agency or instrumentality thereof, the authority may sell its bonds or notes at private sale and may, as additional security for the payment of its bonds or notes, execute a mortgage on the real estate or personal property owned or to be acquired by the authority for the benefit of the holders of its bonds. Said mortgage may make provision for mortgaging or pledging the real estate and personal property of the authority or any part thereof, whether then owned or thereafter acquired, for the benefit of the holders of the bonds of the authority. Said mortgage may pledge or assign the revenues of the authority or any part thereof. Said mortgage may contain such provisions for the protection of the bondholders, including the right to sell real estate or personal property of the authority mortgaged or pledged, as the authority may deem necessary. Said mortgage may contain such provisions relating to acquisition of the market improvements, the operation and maintenance of the same and the custody and safe-guarding of its funds as the authority may deem necessary and which are not in violation of law. Said mortgage may provide for the rights and remedies of the bondholders. The authority may provide for execution of said mortgage in the ordinance authorizing issuance of the bonds.

(2) As an additional or alternative method of acquiring and constructing markets, the authority shall have power to issue revenue bonds and such bonds shall be issued pursuant to the provisions of Act No. 94 of the Public Acts of 1933, as amended, being sections 141.101 to 141.139, inclusive, of the Compiled Laws of 1948, known as the revenue bond act of 1933, and the provisions of said act shall be controlling in all matters with respect to said bonds as regards terms, issuance, redemption, rights of bondholders in event of default, and all other matters affecting said bonds and, insofar as applicable, the operation of the public market financed from the proceeds of said bonds.

**History:** 1956, Act 185, Imd. Eff. Apr. 24, 1956.

### **123.677 Market authority; acquisition of property, market deemed public improvement.**

Sec. 7. Any authority established under this act may purchase, lease, accept by gift or devise, private property for the public purposes herein set forth and for no other purposes. The market so established shall be deemed to be a public improvement under the provisions of Act No. 94 of the Public Acts of 1933, as amended, being sections 141.101 to 141.139, inclusive, of the Compiled Laws of 1948.

**History:** 1956, Act 185, Imd. Eff. Apr. 24, 1956.

### **123.678 Market authority; property subject to taxation.**

Sec. 8. The real and personal property owned by the authority shall be subject to taxation.

**History:** 1956, Act 185, Imd. Eff. Apr. 24, 1956.

### **123.679 Market authority; audit, filing, violation.**

Sec. 9. Immediately after the close of each fiscal year, every authority established pursuant to this act shall cause an audit to be made of its operations for the fiscal year. The audit shall be made by a certified public accountant, or firm of accountants not regularly employed by the authority for its accounting purposes. Within 90 days after the close of its fiscal year each authority shall file with the state department of agriculture and with the governing body of the city creating the authority, a copy of the audit together with names of the officers and directors thereof. Any person violating or failing to comply with the provisions of this section shall be guilty of a misdemeanor.

**History:** 1956, Act 185, Imd. Eff. Apr. 24, 1956.

**123.680 Market authority; agreement with secretary of agriculture of United States for mortgage insurance.**

Sec. 10. The board of directors of the authority shall be authorized to enter into agreements with the secretary of agriculture of the United States, hereinafter called "the secretary", under any applicable federal law providing for the insurance of mortgages for the financing of public wholesale market facilities, that rentals and other charges for the use of such market facilities will be established at reasonable levels approved by the secretary and designed to meet the obligations, defray the costs of maintaining and operating the market facility, and provide reasonable reserves; that any substantial alterations of the market facility will be made only with approval of the secretary; that reports will be made to the secretary at such intervals and giving such information concerning the market facility as the secretary may require and that the books and records of the market facility will be available for examination by the secretary at its offices during business hours; that title to the market facility, or any part thereof, will not be transferred or encumbered, or leased for any purpose not related to the operation of the market, and that vacant land of the market facility will not be leased for a period longer than 1 year, except with the approval of the secretary; that the maximum charges which may be received for the use of the market facility shall be subject to approval of the secretary during the period while the insurance of such mortgages is in force and effect; and such other agreements as shall be necessary to comply with the provisions of such federal mortgage insurance law.

The authority may pay to the United States such sums of money each year as may be required for mortgage insurance. Said payments shall be made from the revenues of the authority.

**History:** 1956, Act 185, Imd. Eff. Apr. 24, 1956.

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