

**HOUSE SUBSTITUTE FOR
SENATE BILL NO. 123**

A bill to amend 1999 PA 203, entitled
"The convention facility authority act,"
by amending sections 3, 5, and 8 (MCL 141.1403, 141.1405, and
141.1408).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 3. As used in this act:

2 (a) "Authority" means a convention facility authority created
3 under section 4.

4 (b) "Board" means the board of directors of an authority.

5 (c) "Convention facility" means all or any part of, or any
6 combination of, a convention hall, auditorium, arena, **SPORTS**
7 **FACILITY, MARKET, RELATED FACILITY,** meeting rooms, exhibition area,
8 and related adjacent public areas that are generally available to
9 the public for lease ~~on a short term basis for holding conventions,~~

1 ~~meetings, exhibits, and similar events~~ **OR USE**, together with
2 appurtenant property, including parking lots or structures,
3 necessary and convenient for use in connection with the convention
4 facility.

5 (d) "Develop", unless the context clearly indicates a
6 different meaning, means to acquire, market, promote, construct,
7 improve, enlarge, renew, renovate, replace, lease, equip, furnish,
8 or operate.

9 (e) "Fund" means the convention facility authority fund
10 created for each authority as provided in section 10.

11 (f) "Qualified city" means a city with a population of more
12 than 170,000 **ACCORDING TO THE MOST RECENT DECENNIAL CENSUS** that is
13 the most populous city in a qualified county.

14 (g) "Qualified county" means a county with a population of
15 more than 500,000 **ACCORDING TO THE MOST RECENT DECENNIAL CENSUS**
16 that contains a qualified city, ~~and that is not a charter county~~
17 ~~or a county with an optional unified form of government.~~

18 Sec. 5. (1) The powers, duties, and functions of an authority
19 are vested in and shall be exercised by a board of directors. The
20 board shall consist of 7 members as follows:

21 (a) Two members who are residents of the qualified county
22 appointed by the county board of commissioners of the qualified
23 county, **NOT LESS THAN** 1 of whom is from the private sector with
24 experience in economic development.

25 (b) Two members who are residents of the qualified county
26 appointed by the mayor of the qualified city with approval by the
27 legislative body of the qualified city, **NOT LESS THAN** 1 of whom is

1 from the private sector with experience in economic development.

2 (c) One member who is a resident of the qualified county
3 appointed by the governor.

4 (d) Two members who are residents of the qualified county
5 appointed by the 5 members described in subdivisions (a), (b), and
6 (c) at the first meeting of the board as the first item of
7 business, both of whom shall be selected from a list of not fewer
8 than 3 individuals provided by the local convention and visitors
9 bureau. Every 2 years after the first appointment under this
10 subdivision, 1 member shall be appointed at the first meeting of
11 the board following the expiration of the member's term as the
12 first item of business. **IF THE LOCAL CONVENTION AND VISITORS BUREAU**
13 **DESIRES THAT AN EXISTING MEMBER BE REAPPOINTED FOR ANOTHER TERM, IT**
14 **SHALL NOTIFY THE 5 MEMBERS SERVING ON THE BOARD DESCRIBED IN**
15 **SUBDIVISIONS (A), (B), AND (C) WHO SHALL HAVE THE OPTION OF**
16 **REAPPOINTING OR NOT REAPPOINTING THE EXISTING MEMBER. IF THE**
17 **EXISTING MEMBER IS NOT REAPPOINTED, THE LOCAL CONVENTION AND**
18 **VISITORS BUREAU SHALL PROVIDE THE 5 MEMBERS A LIST OF NOT FEWER**
19 **THAN 3 INDIVIDUALS THAT ARE RESIDENTS OF THE QUALIFIED COUNTY FROM**
20 **WHICH 1 SHALL BE APPOINTED TO THE BOARD. IF THE LOCAL CONVENTION**
21 **AND VISITORS BUREAU HAS DETERMINED THAT AN EXISTING MEMBER WHOSE**
22 **TERM IS EXPIRING OR HAS EXPIRED NOT BE REAPPOINTED, IT SHALL**
23 **PROVIDE THE 5 MEMBERS A LIST OF NOT FEWER THAN 3 INDIVIDUALS THAT**
24 **ARE RESIDENTS OF THE QUALIFIED COUNTY FROM WHICH 1 SHALL BE**
25 **APPOINTED TO THE BOARD.**

26 (2) Except as otherwise provided in this subsection, members
27 of the board shall be appointed for a term of 4 years. One of the

1 board members first appointed by the county board of commissioners
2 of the qualified county and 1 of the board members first appointed
3 by the mayor of the qualified city with the approval of the
4 legislative body of the qualified city shall be appointed for a
5 term of 2 years. The first member appointed under subsection 1(d)
6 shall be appointed for a term of 2 years. ~~A person is not eligible~~
7 ~~to be a member of the board if that person has served 12 or more~~
8 ~~consecutive years as a member of that board.~~

9 (3) Upon appointment to a board under subsection (1) and upon
10 taking and the filing of the constitutional oath of office, a
11 member of the board shall enter office and exercise the duties of
12 the office to which he or she is appointed.

13 (4) A vacancy on a board of a member serving for a fixed term
14 shall be filled in the same manner as the original appointment for
15 the balance of the unexpired term. A member of the board holds
16 office until a successor is appointed and qualified.

17 (5) Notwithstanding a charter provision of a qualified city to
18 the contrary, a member of the legislative body or other city
19 official of the qualified city is eligible to serve as a member of
20 a board established under this act.

21 Sec. 8. (1) An authority may do all things necessary or
22 convenient to carry out the purposes, objectives, and provisions of
23 this act and the purposes, objectives, and powers delegated to the
24 authority or the board by other laws or executive orders,
25 including, without limitation, all of the following:

26 (a) Adopt bylaws for the regulation of its affairs and alter
27 the bylaws at its pleasure.

1 (b) Sue and be sued in its own name.

2 (c) Enter into contracts, **INCLUDING MANAGEMENT CONTRACTS**, and
3 other instruments necessary, incidental, or convenient to the
4 performance of its duties and the exercise of its powers and
5 designate the person or persons who have authority to execute those
6 contracts and ~~investments~~**INSTRUMENTS** on behalf of the authority
7 **AND TO HIRE ANY OTHER SERVICE PROVIDERS OR CONSULTANTS THE**
8 **AUTHORITY DEEMS APPROPRIATE TO ASSIST IN THE PERFORMANCE OF ITS**
9 **DUTIES.**

10 (d) Solicit, receive, and accept from any source gifts,
11 grants, loans, or contributions of money, property, or other things
12 of value, and other aid or payment, or participate in any other way
13 in a federal, state, or local government program.

14 (e) Procure insurance against loss in connection with the
15 property, assets, or activities of the authority.

16 (f) Invest money of the authority under 1943 PA 20, MCL 129.91
17 to ~~129.96~~, **129.97A**, and deposit money of the authority under 1932
18 (1st Ex Sess) PA 40, MCL 129.11 to 129.16.

19 (g) Engage, on a contract basis, the services of private
20 consultants, managers, legal counsel, and auditors for rendering
21 professional or technical assistance and advice payable out of any
22 money of the authority.

23 (h) Indemnify and procure insurance indemnifying members of
24 the board from personal loss or accountability for liability
25 asserted by a person with regard to bonds or other obligations of
26 the authority, or from any personal liability or accountability by
27 reason of the issuance of the bonds or other obligations or by

1 reason of any other action taken or the failure to act by the
2 authority.

3 (i) Establish and maintain an office and employ and fix
4 compensation for personnel of the authority. To hire an executive
5 director or other chief administrative officer who is authorized to
6 establish and fix a schedule of rents, admission fees, or other
7 charges for occupancy, use of, or admission to any convention
8 facility operated by the authority and provide for the collection
9 and enforcement of those rents, admission fees, or other charges.

10 (j) Hold, clear, remediate, improve, maintain, manage,
11 control, sell, exchange, mortgage and hold mortgages on and other
12 security interests in, lease, as lessor or lessee, and obtain or
13 grant easements and licenses on property that the authority
14 acquires. A sale, exchange, lease, or other disposition of
15 authority property shall be to a person or persons for a project or
16 projects involving a convention facility. Property acquired by the
17 authority and later determined by the authority to be not necessary
18 for a convention facility may be sold or otherwise disposed of for
19 use or uses not inconsistent with the purposes of this act.

20 Temporary or permanent easements or licenses or other appropriate
21 interests in property acquired by the authority may be conveyed or
22 granted by the authority for utility, vehicular, or pedestrian
23 traffic facilities, or related purposes not inconsistent with this
24 act. The authority does not have the power to condemn property.

25 (k) Issue negotiable revenue bonds under the revenue bond act
26 of 1933, 1933 PA 94, MCL 141.101 to 141.140. Revenue bonds issued
27 by the authority are not a debt of the qualified county, qualified

1 city, or this state.

2 (l) Develop, a-~~ACQUIRE, OR OWN 1 OR MORE~~ convention
3 ~~facility.~~**FACILITIES.**

4 (m) Do all other acts and things necessary or convenient to
5 carrying out the purposes for which the authority was established.

6 (2) An authority established under this act shall not levy a
7 tax.