

HOUSE SUBSTITUTE FOR
SENATE BILL NO. 1630

A bill to create and provide for the incorporation of certain regional convention facility authorities; to provide for the membership of the authorities; to provide for the powers and duties of the authorities; to provide for the conveyance of ownership of and operational jurisdiction over certain convention facilities to authorities and to provide for the transfer of certain real and personal property utilized as convention facilities to authorities; to provide for the assumption of certain contracts, bonds, notes, and other evidences of indebtedness and liabilities related to convention facilities by authorities; to authorize the creation of certain funds; to authorize expenditures from certain funds; to finance the acquisition of land and the development of certain convention facilities and of public improvements or related facilities; to provide for the issuance of bonds and notes; to

authorize certain investments; to provide for the transfer of public employees to the employment of authorities; to provide for the allocation of liabilities related to employee benefits; to protect certain rights of local government employees; and to impose certain powers and duties upon state and local departments, agencies, and officers.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act shall be known and may be cited as the
2 "regional convention facility authority act".

3 Sec. 3. The legislature finds and declares all of the
4 following:

5 (a) That there exists in this state a continuing need to
6 strengthen and revitalize the economy of this state and of local
7 units of government in this state and that it is in best interests
8 of this state and local units of government in this state to
9 promote tourism and convention business in order to assist in the
10 prevention of unemployment and the alleviation of the conditions of
11 unemployment, to preserve existing jobs, to facilitate economic
12 development, and to create new jobs to meet employment demands.

13 (b) That it is necessary for the promotion of general welfare
14 and a valid public purpose to assist and encourage the acquisition,
15 construction, improvement, enlargement, renewal, replacement,
16 repairing, financing, furnishing, and equipping of regional
17 convention facilities and the real property on which they are
18 located, to refinance these activities, and to enter into contracts
19 and procure services necessary and appropriate for the development
20 and ongoing management and operation of regional convention

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1 facilities in an efficient and effective manner.

2 (c) That a regional convention facility authority created
3 under this act and the powers conferred by this act constitute a
4 necessary program and serve a necessary public purpose.

5 Sec. 5. As used in this act:

6 (a) "Authority" means a regional convention facility authority
7 created under section 7.

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

9 (c) "Convention facility" means all or any part of, or any
10 combination of, a convention hall, auditorium, arena, meeting
11 rooms, exhibition area, and related adjacent public areas that are
12 generally available to the public for lease on a short-term basis
13 for holding conventions, meetings, exhibits, and similar events,
14 together with real or personal property, and easements above, on,
15 or under the surface of real or personal property, used or intended
16 to be used for holding conventions, meetings, exhibits, and similar
17 events, together with appurtenant property, including covered
18 walkways, parking lots, or structures, necessary and convenient for
19 use in connection with the convention facility. Convention facility
20 includes an adjacent arena with a seating capacity not exceeding
21 10,000. [Convention facility does not include an adjacent arena with a
22 seating capacity exceeding 10,000.]

23 (d) "Develop" means to plan, acquire, construct, improve,
24 enlarge, maintain, renew, renovate, repair, replace, lease, equip,
25 furnish, market, promote, manage, or operate.

26 (e) "Fiscal year" means an annual period that begins on July 1
27 and ends on June 30 or the fiscal year for an authority established
by the board of the authority.

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1 (f) "Legislative body" means the elected body of a local
2 government possessing the legislative power of the local
3 government.

4 (g) "Local chief executive officer" means the mayor or city
5 manager of a city or the county executive of a county or, if a
6 county does not have a county executive, the chairperson of the
7 county board of commissioners.

8 (h) "Local government" means a county or city. For purposes of
9 sections 17(1)(t) and 19 other than section [19(1)(f)], local
10 government includes a building authority or downtown development
11 authority created by a county or city under 1975 PA 197, MCL
12 125.1651 to 125.1681.

13 (i) "Qualified city" means a city with a population of more
14 than 700,000 according to the most recent decennial census that
15 contains a qualified convention facility.

16 (j) "Qualified county" means a county that contains a
17 qualified city.

18 (k) "Qualified convention facility" means a publicly owned
19 convention facility with not less than 600,000 square feet of
20 usable exhibition area and that is located in a qualified city.

21 (l) "Qualified metropolitan area" means a geographic area of
22 this state that includes a qualified city, a qualified county, and
23 the 2 counties bordering the qualified county with the largest
24 populations according to the most recent decennial census.

25 (m) "Transfer date" means the date 90 days after the creation
26 of an authority under section 7 on which the right, title,
27 interest, ownership, and control of a qualified convention facility

1 are conveyed and transferred from a qualified city to an authority
2 if the transfer is not disapproved as provided under section 19(1).

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

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

27 (3) It is the intent of the legislature that the transfer of a

1 qualified convention facility from a qualified city to an authority
2 under this act and any payment required under section 19(9)
3 represents at least a fair exchange of value for value for the
4 qualified city considering, without limitation, all of the
5 following:

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

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

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

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

5 (5) Except as otherwise provided in this subsection, the
6 property of the authority created under this act and its income,
7 activities, and operations are exempt from all taxes and special
8 assessments of this state or a political subdivision of this state.
9 Property of an authority and its income, activities, and operations
10 that are leased to private persons are not exempt from any tax or
11 special assessment of this state or a political subdivision of this
12 state. Property of an authority is exempt from any ad valorem
13 property taxes levied under the general property tax act, 1893 PA
14 206, MCL 211.1 to 211.155, or other law of this state authorizing
15 the taxation of real or personal property. An authority is an
16 entity of government for purposes of section 4a(1)(a) of the
17 general sales tax act, 1933 PA 167, MCL 205.54a, and section 4h of
18 the use tax act, 1937 PA 94, MCL 205.94h.

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

25 Sec. 9. (1) An authority created under this act shall be
26 directed and governed by a board of directors consisting of [5]
27 members. The members of an authority board shall include all of the

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1 following:

2 (a) One individual appointed by the governor of this state
3 with the advice and consent of the senate.

4 (b) One individual appointed by the local chief executive
5 officer of the qualified city.

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8 (c) One individual appointed by the local chief executive
9 officer of the qualified county.

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12 (d) One individual appointed by the local chief executive
13 officer of the county bordering the qualified county with the
14 highest population according to the most recent decennial census
15 bordering the qualified county.

16 [(e)] One individual appointed by the local chief executive
17 officer of the county bordering the qualified county with the
18 second highest population according to the most recent decennial
19 census.

20 (2) Board members appointed under this section shall possess
21 business, financial, or professional experience relevant to the
22 operation of a corporation or a convention facility. No board
23 member shall be an employee or officer of any local government or
24 of this state. For purposes of this subsection, "local government"
25 includes any county, township, city, village, or intergovernmental
26 entity in this state.

27 (3) Except as otherwise provided in this subsection, board

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1 members shall be appointed for a term of 6 years. Initial
2 appointments under subsection (1) shall be made within 30 days of
3 the creation of the authority. Of the board members initially
4 appointed under subsection (1), the members appointed under
5 subsection (1)(a) and (c) shall be appointed for a term expiring on
6 the second August 31 following the creation of the authority, the
7 members appointed under subsection (1)(b) and (d) shall be
8 appointed for a term expiring on the third August 31 following the
9 creation of the authority, the member appointed under subsection
10 (1)(e) shall be appointed for a term expiring on the fourth August
11 31 following the creation of the authority[

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16] . If a vacancy occurs on the board other than by
17 expiration of a term, the vacancy shall be filled in the same
18 manner as the original appointment for the remainder of the term.
19 Board members may continue to serve until a successor is appointed
20 and qualified.

21 (4) Each officer appointing a board member under this section
22 shall file the appointment with the secretary of state and the
23 county clerk of each county in the qualified metropolitan area.
24 Notwithstanding any law or local charter provision to the contrary,
25 appointments by an officer are not subject to approval or rejection
26 by a legislative body.

27 (5) Upon appointment to a board under this section, and upon

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1 taking and filing of the oath of office required by section 1 of
2 article XI of the state constitution of 1963, a board member shall
3 enter office and exercise the duties of the office of board member.

4 (6) Board members shall serve without compensation but may be
5 reimbursed for actual and necessary expenses incurred while
6 attending board meetings or performing other authorized official
7 business of the authority.

8 (7) An individual who is not of good moral character or who
9 has been indicted or charged with, convicted of, pled guilty or no
10 contest to, or forfeited bail concerning a felony under the laws of
11 this state, any other state, or the United States shall not be
12 appointed or remain as a member of the board.

13 Sec. 11. (1) Within not more than 30 days following
14 appointment [] of the members of a board, the board
15 shall hold its first meeting at a date and time determined by the
16 individual appointed under section 9(1)(a). The board members shall
17 elect from among the board members an individual to serve as
18 chairperson of the board and may elect other officers as the board
19 considers necessary. All officers shall be elected annually by the
20 board. [All actions of the board under this act shall require the
unanimous consent of all serving members of the board, excluding any
members prohibited from voting on an action due to a conflict of interest
under section 15.]

21 (2) The business of the board shall be conducted at a public
22 meeting of the board held in compliance with the open meetings act,
23 1976 PA 267, MCL 15.261 to 15.275. Public notice of the time, date,
24 and place of the meeting shall be given in the manner required by
25 the open meetings act, 1976 PA 267, MCL 15.261 to 15.275. A board
26 shall adopt bylaws consistent with the open meetings act, 1976 PA
27 267, MCL 15.261 to 15.275, governing its procedures and the holding

1 of meetings. After organization, a board shall adopt a schedule of
2 regular meetings and adopt a regular meeting date, place, and time.
3 A special meeting of the board may be called by the chairperson of
4 the board or as provided in bylaws adopted by the board. Notice of
5 a special meeting shall be given in the manner required by the open
6 meetings act, 1976 PA 267, MCL 15.261 to 15.275.

7 (3) A board shall keep a written or printed record of each
8 meeting, which record and any other document or record prepared,
9 owned, used, in the possession of, or retained by the authority in
10 the performance of an official function shall be made available to
11 the public in compliance with the freedom of information act, 1976
12 PA 442, MCL 15.231 to 15.246.

13 (4) A board shall provide for a system of accounts for the
14 authority to conform to a uniform system required by law and for
15 the auditing of the accounts of an authority. The board shall
16 obtain an annual audit of the authority by an independent certified
17 public accountant and report on the audit and auditing procedures
18 in the manner provided by sections 6 to 13 of the uniform budgeting
19 and accounting act, 1968 PA 2, MCL 141.426 to 141.433. The audit
20 also shall be in accordance with generally accepted government
21 auditing standards and shall satisfy federal regulations relating
22 to federal grant compliance audit requirements.

23 (5) Before the beginning of each fiscal year, a board shall
24 cause to be prepared a budget for the authority containing an
25 itemized statement of the estimated current operational expenses
26 and the expenses for capital outlay including funds for the
27 operation and development of convention facilities under the

1 jurisdiction of the board, including the amount necessary to pay
2 the principal and interest of any outstanding bonds or other
3 obligations of the authority maturing during the next fiscal year
4 or that have previously matured and are unpaid, and an estimate of
5 the estimated revenue of the authority from all sources for the
6 next fiscal year. The board shall adopt a budget as for the fiscal
7 year in accordance with the uniform budget and accounting act, 1968
8 PA 2, MCL 141.421 to 141.440a.

9 (6) A board shall provide for the purchase of, the contracting
10 for, and the providing of supplies, materials, services, insurance,
11 utilities, third-party financing, equipment, printing, and all
12 other items as needed by the authority to efficiently and
13 effectively meet the needs of the authority using competitive
14 procurement methods to secure the best value for the authority. The
15 board shall make all discretionary decisions concerning the
16 solicitation, award, amendment, cancellation, and appeal of
17 authority contracts. A board shall provide for the acquisition of
18 professional services, including, but not limited to, architectural
19 services, engineering services, surveying services, accounting
20 services, services related to the issuance of bonds, and legal
21 services, in accordance with a competitive, qualifications-based
22 selection process and procedure for the type of professional
23 service required by the authority. An authority is not required to
24 use competitive bidding when acquiring proprietary services,
25 equipment, or information available from a single source, such as a
26 software license agreement. An authority may enter into a
27 cooperative purchasing agreement with the federal government, this

1 state, or other public entities for the purchase of goods or
2 services necessary for the authority. An authority may enter into
3 lease purchases or installment purchases for periods not exceeding
4 the anticipated useful life of the items purchased unless otherwise
5 prohibited by law. In all purchases made by the authority, all
6 other things being equal, preference shall be given first to
7 products manufactured or services offered by firms based in the
8 authority's qualified metropolitan area, including, but not limited
9 to, each qualified city and qualified county in the qualified
10 metropolitan area, and next to firms based in this state, if
11 consistent with federal law. Except as otherwise provided in this
12 section, the authority shall utilize competitive solicitation for
13 all purchases authorized under this act unless 1 or more of the
14 following apply:

15 (a) Procurement of goods or services is necessary for the
16 imminent protection of public health or safety or to mitigate an
17 imminent threat to public health or safety, as determined by the
18 authority or its chief executive officer.

19 (b) Procurement of goods or services is for emergency repair
20 or construction caused by unforeseen circumstances when the repair
21 or construction is necessary to protect life or property.

22 (c) Procurement of goods or services is in response to a
23 declared state of emergency or state of disaster under the
24 emergency management act, 1976 PA 390, MCL 30.401 to 30.421.

25 (d) Procurement of goods or services is in response to a
26 declared state of emergency under 1945 PA 302, MCL 10.31 to 10.33.

27 (e) Procurement of goods or services is in response to a

1 declared state of energy emergency under 1982 PA 191, MCL 10.81 to
2 10.89.

3 (f) Procurement of goods or services is under a cooperative
4 purchasing agreement with the federal government, this state, or
5 more public entities for the purchase of goods and services
6 necessary at fair and reasonable prices using a competitive
7 procurement method for authority operations.

8 (g) The value of the procurement is less than \$5,000.00, and
9 the board has established policies or procedures to ensure that
10 goods or services with a value of less than \$5,000.00 are purchased
11 by the board at fair and reasonable prices. Procurement of goods or
12 services with a value of less than \$5,000.00 may be negotiated with
13 or without using competitive bidding as authorized in a procurement
14 policy adopted by the board.

15 (7) A board may not enter into any cost plus construction
16 contract unless all of the following apply:

17 (a) The contract cost is less than \$50,000.00.

18 (b) The contract is for emergency repair or construction
19 caused by unforeseen circumstances.

20 (c) The repair or construction is necessary to protect life or
21 property.

22 (d) The contract complies with requirements of applicable
23 state or federal law.

24 (8) The board shall adopt a procurement policy consistent with
25 the requirements of this act and federal and state laws relating to
26 procurement. The board shall adopt a policy to govern the control,
27 supervision, management, and oversight of each contract to which

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1 the authority is a party. The board shall adopt procedures to
2 monitor the performance of each contract including, but not limited
3 to, a contract that exists on transfer date, to assure execution of
4 the contract within the budget and time periods provided under the
5 contract. The monitoring shall include oversight as to whether the
6 contract is being performed in compliance with the terms of the
7 contract, this act, and federal and state law procurement law. The
8 chief executive officer or other authorized employee of an
9 authority shall not sign or execute a contract until the contract
10 is approved by the board. [

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13] A board
14 for an authority shall establish policies to ensure that the
15 authority does not enter into a procurement or employment contract
16 with a person who has been convicted of a criminal offense incident
17 to the application for or performance of a contract or subcontract
18 with a governmental entity in this state. A board for an authority
19 shall establish policies to ensure that the authority does not
20 enter into a procurement or employment contract with a person who
21 has been convicted of a criminal offense, or held liable in a civil
22 proceeding, that negatively reflects on the person's business
23 integrity, based on a finding of embezzlement, theft, forgery,
24 bribery, falsification or destruction of records, receiving stolen
25 property, or violation of state or federal antitrust statutes, or
26 similar laws. As used in this subsection, if a person is a business
27 entity, person includes affiliates, subsidiaries, officers,
directors, managerial employees, and any person who, directly or

1 indirectly, holds a pecuniary interest in that business entity of
2 20% or more.

3 (9) A board may employ personnel as the board considers
4 necessary to assist the board in performing the power, duties, and
5 jurisdictions of the authority, including, but not limited to,
6 employment of a chief executive officer as authorized under section
7 13.

8 (10) A board shall establish policies to assure that the board
9 and the authority shall not do either of the following:

10 (a) Fail or refuse to hire, recruit, or promote; demote;
11 discharge; or otherwise discriminate against a person with respect
12 to employment, compensation, or a term, condition, or privilege of
13 employment, or a contract with the authority because of religion,
14 race, color, national origin, age, sex, sexual orientation, height,
15 weight, marital status, partisan considerations, or a disability or
16 genetic information that is unrelated to the person's ability to
17 perform the duties of a particular job, position, or contract.

18 (b) Limit, segregate, or classify an employee, a contractor,
19 or applicant for employment or a contract in a way that deprives or
20 tends to deprive the employee, contractor, or applicant of an
21 employment opportunity or otherwise adversely affects the status of
22 an employee, contractor, or applicant because of religion, race,
23 color, national origin, age, sex, sexual orientation, height,
24 weight, marital status, partisan considerations, or a disability or
25 genetic information that is unrelated to the person's ability to
26 perform the duties of a particular job or position.

27 Sec. 13. (1) A board may appoint and fix the compensation of a

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1 chief executive officer for the authority. If the board appoints a
2 chief executive officer, the board shall prescribe the duties and
3 responsibilities of the chief executive officer in addition to any
4 duties and responsibilities imposed upon the chief executive
5 officer under this act. [

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] A chief executive officer of an
8 authority shall serve at the pleasure of the board[

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(2) A chief executive officer shall supervise, and be
12 responsible for, the day-to-day operation of the authority,
13 including the control, supervision, management, and oversight of
14 convention facilities, the issuance of bonds and notes approved by
15 the board, the negotiation and establishment of compensation and
16 other terms and conditions of employment for any employees of the
17 authority, the negotiation, supervision, and enforcement of
18 contracts entered into by the authority and approved by the board,
19 and the supervision of contractors of the authority in their
20 performance of their duties. A board may delegate to the chief
21 executive officer of an authority the power and responsibility to
22 execute and deliver, and sign for, contracts, leases, obligations,
23 and other instruments as have been approved by the board.

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(3) A chief executive officer of an authority shall have all
25 powers as are incident to the performance of his or her duties that
26 are prescribed by this act or by the board. All actions of the
27 chief executive officer of an authority shall be in conformance

1 with the policies of the board and in compliance with applicable
2 law.

3 (4) A board shall require the chief executive officer of an
4 authority and any treasurer or chief financial officer of the
5 authority to post a suitable bond of not less than \$50,000.00
6 issued by a responsible bonding entity, with the cost of the
7 premium of the bond paid by the authority.

8 (5) All actions of the chief executive officer of an authority
9 shall be in conformance with policies adopted by the board and in
10 compliance with applicable law.

11 (6) The board of an authority shall not authorize the chief
12 executive officer of the authority to do any of the following:

13 (a) Appoint a successor to the chief executive officer.

14 (b) Approve of a contract or a contract amendment.

15 (c) Appoint or hire legal counsel for the board.

16 (d) Prescribe ethical standards for the board or authority
17 employees.

18 Sec. 15. (1) A board member or an officer, employee, or agent
19 of an authority shall discharge the duties of his or her position
20 in a nonpartisan manner, in good faith, and with the degree of
21 diligence, care, and skill that an ordinarily prudent person would
22 exercise under similar circumstances in a like position. In
23 discharging his or her duties, a board member or an officer,
24 employee, or agent of an authority, when acting in good faith, may
25 rely upon any of the following:

26 (a) The opinion of counsel for the authority.

27 (b) The report of an independent appraiser selected by the

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1 board.

2 (c) Financial statements of the authority represented to the
3 member of the board, officer, employee, or agent to be correct by
4 the officer of the authority having charge of its books of account
5 or stated in a written report by the state auditor general or a
6 certified public accountant, or a firm of certified accountants, to
7 reflect the financial condition of the authority.

8 (2) A board shall organize and make its own policies and
9 procedures and shall adopt bylaws not inconsistent with this act
10 governing its operations. [

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14] The board
15 shall meet at the call of the chairperson and as may be provided in
16 the bylaws.

17 (3) A member of a board or an officer, appointee, or employee
18 of an authority shall not be subject to personal liability when
19 acting in good faith within the scope of his or her authority or on
20 account of liability of the authority, and the board may indemnify
21 a member of the board or an officer, appointee, or employee of the
22 authority against liability arising out of the discharge of his or
23 her official duties. An authority may indemnify and procure
24 insurance indemnifying members of the board and other officers and
25 employees of the authority from personal loss or accountability for
26 liability asserted by a person with regard to bonds or other
27 obligations of the authority, or from any personal liability or

1 accountability by reason of the issuance of the bonds or other
2 obligations or by reason of any other action taken or the failure
3 to act by the authority. The authority also may purchase and
4 maintain insurance on behalf of any person against any liability
5 asserted against the person and incurred by the person in any
6 capacity or arising out of the status of the person as a member of
7 the board or an officer or employee of the authority, whether or
8 not the authority would have the power to indemnify the person
9 against that liability under this section. An authority, pursuant
10 to bylaw, contract, agreement, or resolution of its board, may
11 obligate itself in advance to indemnify persons.

12 (4) Board members and officers and employees of an authority
13 are public servants subject to 1968 PA 317, MCL 15.321 to 15.330,
14 and are subject to any other applicable law with respect to
15 conflicts of interest. A board shall establish policies and
16 procedures requiring periodic disclosure of relationships which may
17 give rise to conflicts of interest. The board shall require that a
18 board member or chief executive officer of the authority with a
19 direct interest in any matter before the authority disclose the
20 board member's or officer's interest and any reasons reasonably
21 known to the board member or officer why the transaction may not be
22 in the best interest of the public or the authority before the
23 board takes any action with respect to the matter. The disclosure
24 shall become part of the record of an authority's proceedings.

25 (5) An authority shall establish an ethics manual governing
26 the conducting of authority business and the conduct of authority
27 officers and employees. An authority shall establish policies that

1 are no less stringent than those provided for public officers and
2 employees by 1973 PA 196, MCL 15.341 to 15.348, and coordinate
3 efforts for the authority to preclude the opportunity for and the
4 occurrence of transactions by the authority that would create a
5 conflict of interest involving board members and officers or
6 employees of the authority. At a minimum, the policies shall
7 include compliance by each board member and officer or employees
8 who regularly exercises significant discretion over the award and
9 management of authority procurements with policies governing all of
10 the following:

11 (a) Immediate disclosure of the existence and nature of any
12 financial interest that could reasonably be expected to create a
13 conflict of interest.

14 (b) Withdrawal by an employee, officer, or board member from
15 participation in or discussion or evaluation of any recommendation
16 or decision involving an authority procurement that would
17 reasonably be expected to create a conflict of interest for that
18 employee or member.

19 (c) Annual public financial disclosure of significant
20 financial interests as provided under this act.

21 (6) The appointing authority of a board member may remove the
22 board member from office for gross neglect of duty, corrupt conduct
23 in office, or any other misfeasance or malfeasance in office.

24 (7) Each member of the board of an authority, the chief
25 executive officer, and each key employee as determined by the board
26 shall file with the secretary of state a financial disclosure
27 statement listing assets and liabilities, property and business

1 interests, and sources of income of the member, chief executive
2 officer, and each key employee and any of their spouses in a form
3 determined by the secretary of state. The financial disclosure
4 statement shall be under oath and shall be filed at the time of
5 appointment or employment and annually thereafter. The secretary of
6 state may promulgate rules under the administrative procedures act
7 of 1969, 1969 PA 306, MCL 24.201 to 24.328, to provide for the
8 implementation of this subsection.

9 (8) A member of the board of an authority or employee of an
10 authority shall not hold any direct or indirect interest in, be
11 employed by, or enter into a contract for services with any entity
12 doing business with the authority for a period of 2 years after the
13 date his or her membership on the board terminates or his or her
14 employment with the authority terminates.

15 Sec. 17. (1) Except as otherwise provided in this act, an
16 authority may do all things necessary or convenient to implement
17 the purposes, objectives, and provisions of this act and the
18 purposes, objectives, and jurisdictions vested in the authority or
19 the board by this act or other law, including, but not limited to,
20 all of the following:

21 (a) Adopt and use a corporate seal.

22 (b) Adopt, amend, and repeal bylaws for the regulation of its
23 affairs and the conduct of its business.

24 (c) Sue and be sued in its own name and plead and be
25 impleaded.

26 (d) Borrow money and issue bonds and notes according to the
27 provisions of this act.

1 (e) Make and enter into contracts, agreements, or instruments
2 necessary, incidental, or convenient to the performance of its
3 duties and execution of its powers, duties, and jurisdictions under
4 this act with any federal, state, local, or intergovernmental
5 governmental agency or with any other person or entity, public or
6 private, upon terms and conditions acceptable to the authority.

7 (f) Engage in collective negotiation or collective bargaining
8 and enter into agreements with a bargaining representative as
9 provided by 1947 PA 336, MCL 423.201 to 423.217.

10 (g) Solicit, receive, and accept gifts, grants, labor, loans,
11 contributions of money, property, or other things of value, and
12 other aid or payment from any federal, state, local, or
13 intergovernmental government agency or from any other person or
14 entity, public or private, upon terms and conditions acceptable to
15 the authority, or participate in any other way in a federal, state,
16 local, or intergovernmental government program.

17 (h) Make application for and receive loans, grants,
18 guarantees, or other financial assistance in aid of a convention
19 facility from any state, federal, local, or intergovernmental
20 government or agency or from any other source, public or private,
21 including, but not limited to, financial assistance for purposes of
22 developing, planning, constructing, improving, and operating a
23 convention facility.

24 (i) Procure insurance or become a self-funded insurer against
25 loss in connection with the property, assets, or activities of the
26 authority.

27 (j) Indemnify and procure insurance indemnifying board members

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1 from personal loss or accountability for liability asserted by a
2 person with regard to bonds or other obligations of the authority,
3 or from any personal liability or accountability by reason of the
4 issuance of the bonds or other obligations or by reason of any
5 other action taken or the failure to act by the authority.

6 (k) Invest money of the authority, at the discretion of the
7 board, in instruments, obligations, securities, or property
8 determined proper by the board and name and use depositories for
9 authority money. Investments shall be made consistent with an
10 investment policy adopted by the board that complies with this act
11 and 1943 PA 20, MCL 129.91 to 129.96.

12 (l) Contract for goods and services as necessary and as
13 provided under this act. An authority may contract with a
14 management firm, either corporate or otherwise, to operate a
15 qualified convention facility, under the supervision of the
16 authority [].

17 (m) Employ legal and technical experts, other officers,
18 agents, employees, or other personnel, permanent or temporary, as
19 considered necessary by the board as provided under this act.

20 (n) Contract for the services of persons or entities for
21 rendering professional or technical assistance, including, but not
22 limited to, consultants, managers, legal counsel, engineers,
23 accountants, and auditors, as provided under this act.

24 (o) Establish and maintain an office.

25 (p) Acquire by gift, devise, transfer, exchange, purchase,
26 lease, or otherwise on terms and conditions and in a manner the
27 authority considers proper property or rights or interests in

1 property. Property or rights or interests in property acquired by
2 an authority may be by purchase contract, lease purchase,
3 agreement, installment sales contract, land contract, or otherwise.
4 The acquisition of any property by an authority for a convention
5 facility in furtherance of the purposes of the authority is for a
6 public use, and the exercise of any other powers granted to the
7 authority is declared to be public, governmental, and municipal
8 functions, purposes, and uses exercised for a public purpose and
9 matters of public necessity.

10 (q) Hold, clear, remediate, improve, maintain, manage,
11 protect, control, sell, exchange, lease, or grant easements and
12 licenses on property or rights or interests in property that the
13 authority acquires, holds, or controls.

14 (r) Except as provided in section 19(13), convey, sell,
15 transfer, exchange, lease, or otherwise dispose of property or
16 rights or interest in property, excluding the sale or transfer of a
17 qualified convention facility, to any person or entity on terms and
18 conditions, and in a manner and for consideration the authority
19 considers proper, fair, and valuable.

20 (s) Develop a convention facility.

21 (t) Assume and perform the obligations and covenants of a
22 local government related to a qualified convention facility.

23 (u) Enter into contracts or other arrangements with persons or
24 entities, for granting the privilege of naming or placing
25 advertising on or in all or any portion of a convention facility.

26 (v) Receive financial or other assistance from a person
27 licensed under section 6 of the Michigan gaming control and revenue

1 act, 1996 IL 1, MCL 432.206.

2 (w) Establish and fix a schedule of rents, admission fees, or
3 other charges for occupancy, use of, or admission to any convention
4 facility operated by the authority and provide for the collection
5 and enforcement of those rents, admission fees, or other charges.

6 (x) Adopt reasonable rules and regulations for the orderly,
7 safe, efficient, and sanitary operation and use of a convention
8 facility owned by the authority or under its operational
9 jurisdiction.

10 (y) Do all other acts and things necessary or convenient to
11 exercise the powers, duties, and jurisdictions of the authority
12 under this act or other laws that related to the purposes, powers,
13 duties, and jurisdictions of the authority.

14 (2) Notwithstanding any other provision of law to the
15 contrary, an authority shall not have the power to impose or levy a
16 tax.

17 Sec. 19. (1) Within 45 days of the effective date of this act
18 or the date on which a metropolitan area becomes a qualified
19 metropolitan area and prior to a transfer date, the legislative
20 body of the qualified city in which a qualified convention facility
21 is located may disapprove the transfer of the qualified convention
22 facility to the authority by adopting a resolution disapproving the
23 transfer. If the transfer is not disapproved, the qualified
24 convention facility is transferred to the authority on the
25 ninetieth day after the effective date of this act or the date on
26 which a convention facility becomes a qualified convention
27 facility. All of the following shall occur on a transfer date:

1 (a) All right, title, and interest of a local government in
2 and to a qualified convention facility located in a qualified
3 metropolitan area shall by operation of this act be conveyed and
4 transferred from the local government to the authority for the
5 qualified metropolitan area, and the authority shall receive,
6 succeed to, and assume the exclusive right, responsibility, and
7 authority to own, occupy, operate, control, develop, and use the
8 qualified convention facility from and after the transfer date,
9 including, but not limited to, all real property, buildings,
10 improvements, structures, easements, rights of access, and all
11 other privileges and appurtenances pertaining to the qualified
12 convention facility, subject only to those restrictions imposed by
13 this act.

14 (b) All right, title, and interest in and to the fixtures,
15 equipment, materials, furnishings, and other personal property of a
16 local government owned or controlled and used for purposes of the
17 qualified convention facility by the local government shall by
18 operation of this act be conveyed and transferred from the local
19 government to the authority for the qualified metropolitan area,
20 and the authority shall receive, succeed to, and assume the
21 exclusive right, responsibility, and authority to possess and
22 control the property from and after the transfer date.

23 (c) All licenses, permits, approvals, or awards of a local
24 government related to the ownership, occupancy, operation, control,
25 development, or use of a qualified convention facility by the local
26 government shall by operation of this act be conveyed and
27 transferred from the local government to the authority for the

1 qualified metropolitan area and be assumed by the authority.

2 (d) All grant agreements, grant preapplications, grant
3 applications, rights to receive the balance of any funds payable
4 under the agreements or applications, the right to receive any
5 amounts payable from and after the transfer date, and the benefits
6 of contracts or agreements of a local government related to the
7 ownership, occupancy, operation, control, development, or use of a
8 qualified convention facility by the local government shall by
9 operation of this act be conveyed and transferred from the local
10 government to the authority for the qualified metropolitan area and
11 be assumed by the authority.

12 (e) All of the duties, liabilities, responsibilities, and
13 obligations of a local government related to the ownership,
14 occupancy, operation, control, development, or use of a qualified
15 convention facility by the local government shall by operation of
16 this act be conveyed and transferred from the local government to
17 the authority for the qualified metropolitan area and assumed by
18 the authority, except for any liabilities, responsibilities, or
19 obligations that are contested in good faith by, or, as of the
20 transfer date, unknown to, the authority or as otherwise provided
21 in this act.

22 (f) An authority for a qualified metropolitan area shall
23 assume all of the outstanding securities of the local government
24 that are special limited obligations payable from and secured by a
25 lien on distributions received under the state convention facility
26 development act, 1985 PA 106, MCL 207.621 to 207.640, and were
27 originally issued to finance the acquisition or construction of,

1 development of, or improvements to the qualified convention
2 facility conveyed and transferred to the authority for the
3 qualified metropolitan area under this section, and the authority
4 may refund or defease the securities. If the authority refunds the
5 outstanding securities assumed under this subsection, that
6 refunding shall be considered, as a matter of law, to be necessary
7 to eliminate requirements of covenants applicable to the existing
8 outstanding securities.

9 (2) An authority shall assume, accept, or become liable for
10 lawful agreements, obligations, promises, covenants, commitments,
11 and other requirements of a local government relating to operating
12 a qualified convention facility conveyed and transferred under this
13 section, except as provided in subsection (4). An authority shall
14 perform all of the duties and obligations and shall be entitled to
15 all of the rights of a local government and under any agreements
16 expressly assumed and accepted by the authority related to the
17 transfer of a qualified convention facility from the local
18 government to the authority under this section.

19 (3) The local chief executive officer of a local government
20 from which the rights, responsibility, and authority to own occupy,
21 operate, control, develop, and use a qualified convention facility
22 are conveyed and transferred from the local government to an
23 authority for a qualified metropolitan area under this section
24 shall execute the instruments of conveyance, assignment, and
25 transfer or other documents as may, in the authority's and the
26 officer's reasonable judgment, as necessary or appropriate to
27 recognize, facilitate, or accomplish the transfer of the qualified

1 convention facility from the local government to the authority
2 under this section.

3 (4) An authority for a qualified metropolitan area shall not
4 assume any unfunded obligations of a local government transferring
5 a qualified convention facility under this section to provide
6 pensions or retiree health insurance. Upon request by the
7 authority, the local government shall provide the authority with a
8 statement of the amount of the unfunded obligations, determined by
9 a professional actuary acceptable to the authority.

10 (5) All lawful actions, commitments, and proceedings of a
11 local government made, given, or undertaken before the transfer
12 date and assumed by an authority under this section are ratified,
13 confirmed, and validated upon assumption. All actions, commitments,
14 or proceedings of the local government relating to a qualified
15 convention facility in the process of being undertaken by, but not
16 yet a commitment or obligation of, the local government regarding
17 the qualified convention facility may, from and after the date of
18 assumption by the authority under this section, be undertaken and
19 completed by the authority in the manner and at the times provided
20 in this act or other applicable law and in any lawful agreements
21 made by the local government before the date of assumption by the
22 authority under this section.

23 (6) The exclusive right and authorization to own, occupy,
24 operate, control, develop, and use a qualified convention facility
25 transferred under this section shall include, but not be limited
26 to:

27 (a) Ownership and operational jurisdiction over all real

1 property of the qualified convention facility, subject to any liens
2 of record and legal restrictions and limitations on the use of the
3 property.

4 (b) The local government's right, title, and interest in, and
5 all of the local government's responsibilities arising under,
6 operating leases and concessions relating to a qualified convention
7 facility.

8 (7) The transfers described under this section shall include,
9 but need not be limited to, all of the following:

10 (a) All contracts with licensees, franchisees, tenants,
11 concessionaires, and leaseholders.

12 (b) All operating financial obligations secured by revenues
13 and fees generated from the operations of the qualified convention
14 facility.

15 (c) All cash balances and investments relating to or resulting
16 from operations of the qualified convention facility, all funds
17 held under an ordinance, resolution, or indenture related to or
18 securing obligations of the local government assumed by the
19 authority, and all of the accounts receivable or choses in action
20 arising from operations of the qualified convention facility. Fund
21 transfers under this subdivision are limited to funds received
22 after the transfer date and funds necessary to pay obligations
23 related to the operation of the qualified convention facility
24 accrued before the transfer date and not paid by the local
25 government.

26 (d) All office equipment, including, but not limited to,
27 computers, records and files, software, and software licenses

1 required for financial management, personnel management, accounting
2 and inventory systems, and general administration.

3 (8) The transfer of the real and personal property and
4 operational jurisdiction over a qualified convention facility to an
5 authority may not in any way impair any contracts with licensees,
6 franchisees, vendors, tenants, bondholders, or other parties in
7 privity with the local government that owned a qualified convention
8 facility transferred to an authority under this section, if the
9 contracts were not entered into or modified in violation of this
10 act.

11 (9) From and after the transfer date, a local government from
12 which a qualified convention facility has been transferred shall be
13 relieved from all further costs, responsibility, and liability
14 arising from, or associated with, control, operation, development,
15 and maintenance of the qualified convention facility. The local
16 government shall continue to be responsible for all costs
17 associated with local municipal services, including, but not
18 limited to, police, fire, and emergency medical services, without
19 any additional compensation from the authority. The authority shall
20 provide for the payment of compensation not exceeding
21 \$20,000,000.00 to the qualified city for any revenue otherwise
22 payable to the qualified city from parking facilities operated by
23 the qualified city at the qualified convention facility and for
24 other costs incurred by the qualified city associated with the
25 transfer of the qualified convention facility to the authority
26 under this section.

27 (10) A local government that owns a qualified convention

1 facility subject to transfer under this section or that owned a
2 qualified convention facility transferred to an authority under
3 this section shall comply with all of the following, before and
4 after the transfer:

5 (a) Refrain from any action to sell, transfer, or otherwise
6 dispose of a qualified convention facility other than to the
7 authority or incur new or expanded obligations related to qualified
8 convention facility, without the consent of the authority.

9 (b) Refrain from any approval of or material modification to
10 any collective bargaining agreement applicable to local government
11 employees employed at or assigned to the qualified convention
12 facility or to terms of employment for employees at or assigned to
13 the qualified convention facility. Any approval or modification
14 subject to this subsection shall be null and void.

15 (c) Refrain from any action that, in the authority's judgment,
16 would impair the authority's exercise of the powers granted to the
17 authority under this act or that would impair the efficient
18 operation and management of the qualified convention facility by
19 the authority.

20 (d) Take all actions reasonably necessary to cure any defects
21 in title to the qualified convention facility and related property
22 transferred under this section, including, but not limited to,
23 providing documents, records, and proceedings in respect of title.

24 (e) At the request of an authority, grant any license,
25 easement, or right-of-way in connection with the qualified
26 convention facility to the extent the authority has not been
27 empowered to take these actions.

1 (f) Upon creation, an authority for the qualified metropolitan
2 area in which the local government is located and before the
3 transfer date may conduct operations, maintenance, and repair of
4 the convention facility in the ordinary and usual course of
5 business.

6 (11) Any contract, agreement, lease, sale, disposition,
7 transfer, or other conveyance, easement, license, right,
8 obligation, debt, or liability assumed, approved, entered into,
9 amended, or modified in violation of this section shall be voidable
10 as a matter of law to the extent that the authority would otherwise
11 assume, become party to or transferee of, or otherwise be obligated
12 under the contract, agreement, lease, sale, disposition, transfer,
13 conveyance, easement, license, right, obligation, debt, or
14 liability.

15 (12) Unless otherwise provided in this act, the local chief
16 executive officer of a local government that owns a qualified
17 convention facility subject to transfer under this section is
18 authorized and shall take all reasonable steps to cancel or
19 terminate any agreement to which the local government is a party
20 that relates to the qualified convention facility and meets all the
21 following criteria:

22 (a) The agreement relates to the qualified convention facility
23 and the authority has not expressly assumed or accepted the
24 agreement under subsection (2).

25 (b) The agreement provides for cancellation or termination.

26 (c) In the absence of cancellation or termination, the
27 authority would become a party to the agreement by succession,

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1 assignment, operation of law, or any other involuntary means.

2 (13) If real property transferred from a qualified city to an
3 authority under this section is no longer used by the authority for
4 the purpose of maintaining or operating a convention facility as
5 determined by a vote [] of the board, all
6 right, title, and interest of the authority in the real property
7 shall revert from the authority to the qualified city with the
8 consent of the qualified city and upon payment by the qualified
9 city to the authority of an amount equal to the compensation paid
10 to the qualified city under section 19(9).

11 Sec. 21. (1) The authority, as of the transfer date,
12 immediately shall assume and be bound by any existing collective
13 bargaining agreements applicable to employees of the local
14 government whose employment is transferred to the authority either
15 as a result of the authority's express assumption of the employees
16 or by application of section 19 for the remainder of the term of
17 the collective bargaining agreement. Local government employees
18 whose employment is not transferred to the authority shall be
19 reassigned within the local government, pursuant to the terms of
20 any applicable collective bargaining agreements. A representative
21 of the employees or a group of employees in the local government
22 who represents or is entitled to represent the employees or a group
23 of employees of the local government pursuant to 1947 PA 336, MCL
24 423.201 to 423.217, shall continue to represent the employee or
25 group of employees after the employees transfer to the authority.
26 This subsection does not limit the rights of employees, pursuant to
27 applicable law, to assert that a bargaining representative

1 protected by this subsection is no longer their representative. The
2 rights and benefits protected by this subsection may be altered by
3 a future collective bargaining agreement or, for employees not
4 covered by collective bargaining agreements, by benefit plans as
5 established and adopted by the authority.

6 (2) Transferred employees shall not by reason of the transfer
7 have their accrued local government pension benefits or credits
8 diminished. If a transferring employee is not vested in his or her
9 local government pension rights at the time of transfer, his or her
10 posttransfer service with the authority shall be credited toward
11 vesting in any local government retirement system in which the
12 transferring employee participated prior to the transfer, but
13 posttransfer service with the authority shall not be credited for
14 any other purpose under the local government's retirement system,
15 except as provided in subsection (4).

16 (3) A transferred local government employee described in this
17 section or a person hired by the authority as a new employee after
18 the transfer date may remain or become a participant in the local
19 government retirement system until the authority has established
20 its own retirement system or pension plan. During the period the
21 employee remains or is a participant in the local government
22 system, the employee's posttransfer service with the authority and
23 his or her posttransfer compensation from the authority shall be
24 counted in determining both eligibility for and the amount of
25 pension benefits that the employee will be eligible to receive from
26 the local government system or plan.

27 (4) If the local government maintains a retirement system that

1 provides for continuing participation and benefit accrual by local
2 government employees who transfer their employment to another
3 entity in conjunction with transfer of a local government function
4 to that entity, then the transferred employee may elect to remain a
5 participant in the local government retirement system in lieu of
6 participation in any retirement system or pension plan of the
7 authority. If the transferred employee elects to remain a
8 participant in the local government system, the employee's
9 posttransfer service with the authority and his or her posttransfer
10 compensation from the authority shall be counted in determining
11 both eligibility for and the amount of pension benefits that the
12 employee will be eligible to receive from the local government
13 system or plan. Any election to remain in a local government system
14 or plan shall be made within 60 days following the date the
15 authority has established its own retirement system or pension plan
16 and shall be irrevocable. Employees eligible to make the election
17 described in this subsection shall be those employees who
18 immediately before their transfer date were participating in the
19 local government system and who agree to make any employee
20 contributions required for continuing participation in the local
21 government system and also agree to meet all requirements and be
22 subject to all conditions that, from time to time, apply to
23 employees of the local government who participate in the local
24 government system.

25 (5) For each employee meeting the requirements of subsection
26 (4) who elects to remain a participant in the local government
27 retirement system, the authority shall, on a timely basis,

1 contribute, as applicable, to the trustees of that retirement
2 system an amount determined by the local government system's
3 actuary to be sufficient to fund the liability for all of that
4 employee's retirement and other postemployment benefits under the
5 system on a current basis, as those liabilities are accrued from
6 and after the transfer date.

7 Sec. 23. (1) Except as provided in subsection (3), an
8 authority may raise revenues to fund all of its activities,
9 operations, and investments consistent with its purposes. The
10 sources of revenue available to the authority may include, but are
11 not limited to, any of the following:

12 (a) Rents, admission fees, or other charges for use of a
13 convention facility which the authority may fix, regulate, and
14 collect.

15 (b) Federal, state, or local government grants, loans,
16 appropriations, payments, or contributions.

17 (c) The proceeds from the sale, exchange, mortgage, lease, or
18 other disposition of property that the authority has acquired.

19 (d) Grants, loans, appropriations, payments, proceeds from
20 repayments of loans made by the authority, or contributions from
21 public or private sources.

22 (e) Distributions from the convention facility development
23 fund of the state pursuant to the state convention facility
24 development act, 1985 PA 106, MCL 207.621 to 207.640.

25 (f) Investment earnings on the revenues described in
26 subdivisions (a) to (e).

27 (2) The revenues raised by an authority may be pledged, in

1 whole or in part, for the repayment of bonded indebtedness and
2 other expenditures issued or incurred by the authority.

3 (3) Notwithstanding any other provision of law to the
4 contrary, an authority shall not have the power to impose or levy a
5 tax.

6 (4) The board by resolution may establish a regional
7 convention facility operating trust fund for the purpose of
8 accumulating funds to pay for the cost of operating and maintaining
9 a qualified convention facility. Money for operating and
10 maintaining a qualified convention facility, at the authority's
11 discretion, may be provided from this fund or any other money of
12 the authority. The resolution establishing the fund shall include
13 all of the following:

14 (a) The designation of a person or persons who shall act as
15 the fund's investment fiduciary.

16 (b) A restriction of withdrawals from the fund solely for the
17 payment of reasonable operating and maintenance expenses of a
18 convention facility and the payment of the expenses of
19 administration of the fund.

20 (5) An investment fiduciary shall invest the assets of the
21 fund in accordance with an investment policy adopted by the board
22 that complies with section 13 of the public employee retirement
23 system investment act, 1965 PA 314, MCL 38.1133. However, the
24 investment fiduciary shall discharge his or her duties solely in
25 the interest of the authority. The authority may invest the fund's
26 assets in the investment instruments and subject to the investment
27 limitations governing the investment of assets of public employee

1 retirement systems under the public employee retirement system
2 investment act, 1965 PA 314, MCL 38.1132 to 38.1140m.

3 (6) An authority shall not expend more than \$279,000,000.00 to
4 develop an expanded or renovated convention facility under this
5 act. Contracts for the development of an expanded or renovated
6 convention facility shall be fixed price contracts and shall not
7 exceed \$279,000,000.00 in total.

8 (7) A financial obligation of an authority is a financial
9 obligation of the authority only and not a financial obligation of
10 this state, a qualified city, a qualified county, or a county
11 bordering a qualified county. A financial obligation of the
12 authority shall not be transferred to this state, a qualified city,
13 a qualified county, or a county bordering a qualified county.

14 Sec. 25. (1) For the purpose of acquiring, purchasing,
15 constructing, improving, enlarging, furnishing, equipping,
16 reequipping, developing, refinancing, or repairing a convention
17 facility transferred under section 19 or subsequently acquired by
18 an authority, the authority may issue self-liquidating bonds of the
19 authority in accordance with and exercise all of the powers
20 conferred upon public corporations by the revenue bond act of 1933,
21 1933 PA 94, MCL 141.101 to 141.140. Revenue bonds issued by the
22 authority are a debt of the authority and not a debt of any
23 qualified county, county, qualified city, city, or this state.

24 (2) The authority may borrow money and issue municipal
25 securities in accordance with and exercise all of the powers
26 conferred upon municipalities by the revised municipal finance act,
27 2001 PA 34, MCL 141.2101 to 141.2821.

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1 (3) The authority may issue a bond or municipal security that
2 bears no interest and appreciates as to principal amount. The bonds
3 or municipal securities authorized by this subsection shall be
4 exempt from section 305(2) and (3) of the revised municipal finance
5 act, 2001 PA 34, MCL 141.2305.

6 (4) All bonds, notes, or other evidences of indebtedness
7 issued by an authority under this act, and the interest on the
8 bonds or other evidences of indebtedness, are free and exempt from
9 all taxation within this state, except for transfer and franchise
10 taxes.

11 (5) The issuance of bonds, notes, or other evidences of
12 indebtedness by an authority shall require [approval of the board
13] .

14 (6) For the purpose of more effectively managing its debt
15 service, an authority may enter into an interest rate exchange or
16 swap, hedge, or similar agreement or agreements in connection with
17 the issuance or proposed issuance of bonds, notes, or other
18 evidences of indebtedness or in connection with its then
19 outstanding bonds, notes, or other evidences of indebtedness.

20 (7) In connection with entering into an interest rate exchange
21 or swap, hedge, or similar agreement, the authority may create a
22 reserve fund for the payment thereof.

23 (8) An agreement entered into pursuant to this section shall
24 comply with all of the following:

25 (a) The agreement is not a debt of the authority entering into
26 the agreement for any statutory or charter debt limitation purpose.

27 (b) The agreement is payable from general funds of the

1 authority or, subject to any existing contracts, from any available
2 money or revenue sources, including revenues specified by the
3 agreement, securing the bonds, notes, or evidences of indebtedness
4 in connection with which the agreement is entered into.

5 (9) An authority upon approval by resolution of the authority
6 board may issue notes in anticipation of the proceeds of a proposed
7 authority bond issuance. The authority may pledge for the payment
8 of the principal, interest, or redemption premiums on the notes
9 security from 1 or more of the sources to secure the bonds and the
10 proceeds of the bonds to be issued to refund the notes. The pledge
11 shall be valid and binding from the time made. The security pledged
12 and received by an authority is immediately subject to the lien of
13 the pledge without physical delivery of the security or further
14 action. The lien is valid and binding against a person with a claim
15 of any kind against the authority whether or not the person has
16 notice of the pledge. Neither the resolution, trust indenture, nor
17 any other instrument creating a pledge must be filed or recorded to
18 establish and perfect a lien or security interest in the property
19 pledged. In the resolution, the authority shall declare the
20 necessity of the notes, the purpose of the notes, the principal
21 amount of the notes to be issued, and an estimated principal
22 payment schedule for and an estimated or maximum average annual
23 interest rate on the notes. The issuance and delivery of the notes
24 shall be conclusive as to the existence of the facts entitling the
25 notes to be issued in the principal amount of the notes and shall
26 not be subject to attack. The notes shall mature not more than the
27 earlier of 3 years from the date of issuance or 90 days after the

1 expected date of issuance of the bonds in anticipation of which the
2 notes are issued and may bear no interest or interest at a fixed or
3 variable rate or rates of interest per annum. The proceeds of notes
4 issued under this subsection shall be used only for the purpose to
5 which the proceeds of the bonds may be applied, the costs of
6 issuance of the notes, and the payment of principal and interest on
7 the notes. Notes issued under this section are exempt from the
8 provisions of the revised municipal finance act, 2001 PA 34, MCL
9 141.2101 to 141.2821.

10 Sec. 27. (1) Notwithstanding any other provisions of this act
11 or any other law, the provisions of all ordinances, resolutions,
12 and other proceedings of the local government in respect to any
13 outstanding bonds, notes, or any and all evidences of indebtedness
14 or liability assumed by an authority pursuant to this act, if any,
15 shall constitute a contract between the authority and the holders
16 of the bonds, notes, or evidences of indebtedness or liability and
17 are enforceable against the authority or any or all of its
18 successors or assigns, by mandamus or any other appropriate suit,
19 action, or proceeding in law or in equity in any court of competent
20 jurisdiction in accordance with law.

21 (2) Bonds, notes, or any and all evidences of indebtedness or
22 liability that are assumed by an authority under this act shall be
23 payable from and secured by the sources of revenue that were
24 pledged to those bonds, notes, or evidences of indebtedness or
25 liability under the ordinance, resolution, or other proceedings of
26 the local government and shall not constitute a full faith and
27 credit obligation of the authority or of this state.

1 (3) Nothing in this act or in any other law shall be held to
2 relieve the local government from which a convention facility has
3 been transferred from any bonded or other debt or liability
4 lawfully contracted by the local government, to which the full
5 faith and credit of the local government has been pledged and that
6 remains outstanding as of the transfer date, notwithstanding that
7 the proceeds of the debt or liability have been used by the local
8 government in support of the convention facility.

9 (4) Upon the transfer of a convention facility to an
10 authority, trustees, paying agents, and registrars for any
11 obligation of the local government that has been expressly assumed
12 by the authority under section 19 shall perform all of their duties
13 and obligations and provide all notices related to the obligations
14 as if the authority were the issuer of the obligations. The
15 trustees, paying agents, and registrars shall care for and consider
16 all revenues and funds pledged to secure obligations of the local
17 government that have been assumed by the authority under section 19
18 as revenues and funds of the authority. The authority shall
19 indemnify and hold harmless these trustees, paying agents, and
20 registrars from liability incurred in compliance with this
21 subsection.

22 Sec. 29. (1) Unless permitted by this act or approved by an
23 authority, any restrictions standards or prerequisites of a local
24 government otherwise applicable to an authority and enacted after
25 the effective date of this act shall not apply to an authority.
26 This subsection is intended to prohibit special local legislation
27 or ordinances applicable exclusively or primarily to an authority

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1 and not to exempt an authority from laws generally applicable to
2 other persons or entities.

3 (2) The powers conferred in this act upon any authority or
4 local government shall be in addition to any other powers the
5 authority or local government possesses by charter or statute. The
6 provisions of this act apply notwithstanding any resolution,
7 ordinance, or charter provision to the contrary.

8 (3) This act shall be construed liberally to effectuate the
9 legislative intent and the purpose of this act as complete and
10 independent authorization for the performance of each and every act
11 and thing authorized in the act, and all powers granted in this act
12 shall be broadly interpreted to effectuate the intent and purposes
13 of this act and not as to limitation of powers.

14 Enacting section 1. This act does not take effect unless all
15 of the following bills of the 94th Legislature are enacted into
16 law:

- 17 (a) [House Bill No. 5691]
18 (b) Senate Bill No. 1633.
[(c) Senate Bill No. 880.
(d) Senate Bill No. 881.]