

HOUSE BILL No. 5690

February 6, 2008, Introduced by Reps. Hood, Virgil Smith, Polidori, Farrah, Robert Jones, Cushingberry, LeBlanc, Lemmons, Corriveau, Johnson, Hopgood, Condino, Accavitti, Tobocman, Constan, Clemente, Leland, Scott, Cheeks, Gonzales and Jackson and referred to the Committee on Regulatory Reform.

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 the funds; to finance the acquisition of land and the development of certain convention facilities and of public improvements or related facilities; to authorize the establishment of certain sales-tax-free zones; 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. 2. The legislature finds that there exists in this state
4 a continuing need for programs to promote tourism and convention
5 business in order to assist in the prevention of unemployment and
6 the alleviation of the conditions of unemployment, to preserve
7 existing jobs, and to create new jobs to meet the employment
8 demands of population growth and that, to achieve these purposes,
9 it is necessary to assist and encourage local units of government
10 to acquire, construct, improve, enlarge, renew, replace, repair,
11 finance, furnish, and equip regional convention facilities and the
12 real property on which they are located, to refinance these
13 activities, and to enter into contracts and procure services
14 necessary and appropriate for the development and ongoing
15 management and operation of regional convention facilities.

16 Sec. 3. As used in this act:

17 (a) "Authority" means a regional convention facility authority
18 created under section 4 or incorporated under section 5.

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

20 (c) "Convention facility" means all or any part of, or any

1 combination of, a convention hall, auditorium, arena, meeting
2 rooms, exhibition area, and related adjacent public areas that are
3 generally available to the public for lease on a short-term basis
4 for holding conventions, meetings, exhibits, and similar events,
5 together with real or personal property, and easements above, on,
6 or under the surface of real or personal property, used or intended
7 to be used for holding conventions, meetings, exhibits, and similar
8 events, together with appurtenant property, including covered
9 walkways, parking lots, or structures, necessary and convenient for
10 use in connection with the convention facility.

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

14 (e) "Fiscal year" means the state fiscal year, unless
15 otherwise established by the board.

16 (f) "Legislative body" means the elected body of a local
17 government having legislative powers.

18 (g) "Local chief executive officer" means the mayor or city
19 manager of a city or the county executive of a county or, if a
20 county does not have a county executive, the chairperson of the
21 county board of commissioners.

22 (h) "Local government" means a county or city.

23 (i) "Qualified city" means a city with a population of more
24 than 300,000.

25 (j) "Qualified county" means a county with a population of
26 more than 700,000 that contains a qualified city.

27 (k) "Qualified convention facility" means a publicly owned

1 convention facility having not less than 600,000 square feet of
2 usable exhibition area and located within a qualified county.

3 (l) "Transfer date" means the date that right, title, interest,
4 and ownership of a qualified convention facility or of a convention
5 facility are conveyed to an authority from a local government,
6 which in the case of a qualified convention facility shall occur
7 not later than the one hundred eightieth day after the legislative
8 body of the local government from which right, title, interest, and
9 ownership of a qualified convention facility are to be transferred
10 to the authority adopts a resolution authorizing and approving such
11 transfer as provided under section 4, and, in the case of a
12 convention facility, shall occur on the date agreed to by the local
13 government and the authority.

14 Sec. 4. (1) For a qualified convention facility in this state,
15 there is created an authority that shall be vested with powers
16 granted by this act to own and develop the qualified convention
17 facility. The authority shall become operative on the ninetieth day
18 after the effective date of this act or on the ninetieth day after
19 a convention facility becomes a qualified convention facility,
20 whichever occurs first. The area of the authority shall consist of
21 the qualified county in which the qualified convention facility is
22 located and each county bordering upon the qualified city or, if no
23 county borders upon the qualified city, then the county bordering
24 the qualified county having the greatest population among the
25 counties bordering the qualified county.

26 (2) Not later than the ninetieth day after the authority
27 becomes operative as provided in subsection (1), the legislative

1 body of the local government from which right, title, interest, and
2 ownership of a qualified convention facility are to be transferred
3 to the authority may, by resolution, authorize and approve the
4 transfer. If the legislative body of the local government from
5 which right, title, interest, and ownership of a qualified
6 convention facility are to be transferred to the authority does not
7 authorize and approve the transfer on or before the ninetieth day
8 after the authority becomes operative as provided in subsection
9 (1), a transfer shall not occur and the authority shall be
10 dissolved as a matter of law.

11 Sec. 5. (1) Two or more local governments may jointly
12 incorporate an authority under this act. Each local government, by
13 resolution, shall declare its intention to be an incorporating
14 member of an authority. In the resolution of intent, the
15 legislative body of the local government shall set a date for the
16 holding of a public hearing on the adoption of a proposed
17 resolution approving the articles of incorporation of the
18 authority. Notice of the public hearing shall be published once in
19 a newspaper of general circulation in the local government, not
20 less than 20 or more than 40 days before the date of the hearing.
21 The notice shall state the date, time, and place of the hearing. A
22 resident, taxpayer, or property owner of the local government or an
23 official from an overlapping taxing jurisdiction has the right to
24 be heard at the public hearing in regard to the incorporation of
25 the authority.

26 (2) After the public hearing, if the legislative body of the
27 local government intends to proceed with the incorporation of the

1 authority, it shall adopt, by majority vote of its members elected
2 and serving, a resolution approving of articles of incorporation of
3 the authority. The adoption of the resolution is subject to any
4 applicable statutory or charter provisions in respect to the
5 approval or disapproval by the local chief executive officer and
6 the adoption of an ordinance over his or her veto. The adoption of
7 articles of incorporation shall be evidenced by an endorsement on
8 the articles of incorporation by the clerk of each respective local
9 government in a form substantially as follows:

10 The foregoing articles of incorporation were adopted by an
11 affirmative vote of a majority of the members serving on the
12 governing or legislative body of _____, _____ at
13 a meeting duly held on the _____ day of _____, A.D., 20__.

14 (3) The articles of incorporation shall be published by the
15 person or persons designated in the articles at least once in a
16 newspaper designated in the articles and circulated within the area
17 of the authority. One printed copy of the articles of incorporation
18 shall be filed with the secretary of state and with the clerk of
19 each local government incorporating the authority by the person
20 designated to do so by the articles. The authority shall become
21 operative and the articles of incorporation effective at the time
22 provided in the articles of incorporation. The validity of the
23 incorporation shall be conclusively presumed unless questioned in a
24 court of competent jurisdiction within 60 days after the
25 publication of the articles of incorporation.

26 (4) The articles of incorporation shall state the name of the
27 authority; the names of the incorporating local governments; the

1 area of the authority; the purposes for which it is formed; the
2 power, duties, and limitations of the authority and its officers;
3 the composition and method of selecting its governing body and
4 officers; the person or persons charged with the responsibility of
5 causing the articles of incorporation to be published and the
6 printed copies of the articles of incorporation to be filed as
7 provided in this act; the method of amending the articles of
8 incorporation; and any other matters which the incorporators
9 consider advisable.

10 (5) A local government may become a member of an authority
11 incorporated under this section after the authority's formation
12 upon an approving resolution adopted by a majority vote of the
13 members elected to and serving on the legislative body of the local
14 government requesting membership and upon an approving resolution
15 adopted by a 2/3 vote of the members serving on the board of the
16 authority approving an amendment to the articles of incorporation
17 of the authority adding the local government. The amendment to the
18 articles of incorporation shall be executed by the clerk of the
19 local government which is being added and shall be filed and
20 published in the same manner as the original articles of
21 incorporation.

22 Sec. 6. An authority created by or incorporated under this act
23 shall be a public body corporate with power to sue and be sued in
24 any court of the state and shall be considered to be an agency and
25 instrumentality of this state. The authority shall possess all the
26 powers necessary to carry out the purposes of its formation and all
27 things incident to carrying out the purposes of its formation. The

1 authority shall be administered in the manner determined by the
2 board and as provided in this act or in its articles of
3 incorporation.

4 Sec. 7. (1) An authority created by or incorporated under this
5 act shall be directed and governed by a board consisting of an odd
6 number of board members. No board member shall be an employee or
7 official of any local government or of this state. For purposes of
8 this subsection, "local government" shall include any county,
9 township, city, or village.

10 (2) The members of a board of an authority created under
11 section 4 shall be appointed by the following appointing
12 authorities:

13 (a) One board member by the governor of this state.

14 (b) Three board members by the local chief executive officer
15 of a qualified city, 1 of which shall be a representative of the
16 convention and tourism industry.

17 (c) One board member by the local chief executive officer of
18 each county within the area of the authority which is not a
19 qualified county.

20 (d) One board member by the local chief executive officer of
21 each qualified county.

22 (e) If necessary to fulfill the requirement that the board
23 consist of an odd number of members, 1 member by the local chief
24 executive officers listed in subdivisions (b) to (d), jointly.

25 (3) Except as otherwise provided in this subsection, members
26 of the board of an authority created pursuant to section 4 shall be
27 appointed for a term of 4 years or until their successors are

1 appointed and qualified. A board member first appointed under
2 subsection (2)(a) of this act shall be appointed for an initial
3 term of 1 year; the 3 board members first appointed under
4 subsection (2)(b) of this act shall be appointed for initial terms
5 of 1, 2, and 3 years and in making the appointment, the local chief
6 executive officer shall indicate the initial term applicable to
7 each appointee; and a board member first appointed under subsection
8 (2)(c) or (d) of this act shall be appointed for an initial term of
9 3 years; and in each case until their successors are appointed and
10 qualified.

11 (4) The members of a board of an authority incorporated
12 pursuant to section 5 shall be appointed, and shall serve for
13 initial terms, as set forth in the articles of incorporation.
14 Thereafter, the members of a board of an authority incorporated
15 pursuant to section 5 shall serve for 4-year terms or until their
16 successors are appointed and qualified.

17 (5) The expiration date of the term of office of a member of
18 the board shall be on December 31 of the year in which the term is
19 to expire, provided that the articles of incorporation of an
20 authority incorporated under section 5 may establish a different
21 date for the expiration of terms of board members. If a member of
22 the board is unable to complete his or her term of office, a
23 successor shall be appointed to fill the vacancy for the remainder
24 of the term. A member of the board may resign by written notice to
25 the authority. The resignation is effective upon its receipt by the
26 secretary or chairperson of the authority or at a subsequent time
27 as set forth in the notice of resignation.

1 (6) Notwithstanding any law or charter provision to the
2 contrary, appointments by a local chief executive officer under
3 this act shall not be subject to the approval by the legislative
4 body of the local government.

5 Sec. 8. (1) Upon appointment to a board under this act and
6 upon taking and the filing of the constitutional oath of office, a
7 member of the board shall enter office and exercise the duties of
8 the office to which he or she is appointed.

9 (2) A vacancy on a board shall be filled in the same manner as
10 the original appointment for the balance of the unexpired term.

11 (3) The appointing authority for any board member may remove a
12 board member appointed by the appointing authority for cause.

13 (4) Members of a board may be reimbursed by an authority for
14 actual and necessary expenses incurred for attendance at meetings
15 or in the discharge of their official duties. The members of the
16 board shall not be compensated for service to the authority.

17 Sec. 9. (1) Members of a board and officers and employees of
18 the authority are subject to 1968 PA 317, MCL 15.321 to 15.330, and
19 1973 PA 196, MCL 15.341 to 15.348. A member of the board or an
20 officer, employee, or agent of the authority shall discharge the
21 duties of his or her position in a nonpartisan manner, in good
22 faith, and with the degree of diligence, care, and skill that an
23 ordinarily prudent person would exercise under similar
24 circumstances in a like position. In discharging his or her duties,
25 a member of the board or an officer, employee, or agent of the
26 authority, when acting in good faith, may rely upon any of the
27 following:

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

2 (b) The report of an independent appraiser selected by the
3 board.

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

10 (2) A board shall organize and make its own policies and
11 procedures and shall adopt bylaws governing its operations. A
12 majority of the members of a board constitute a quorum for
13 transaction of business, notwithstanding the existence of 1 or more
14 vacancies on the board. Except as otherwise provided in this act,
15 actions taken by the board shall be by a majority vote of the
16 members present at a meeting of the board. The authority shall meet
17 at the call of the chairperson and as may be provided in the
18 bylaws.

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

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

14 Sec. 10. (1) Within not more than 60 days following
15 appointment of a majority of the members of a board, the board
16 shall hold its first meeting and organize by electing a
17 chairperson, a vice-chairperson, a secretary, and additional
18 officers of the board as the board considers necessary. All
19 officers of the board shall be elected annually by the board. All
20 officers of the board, other than the treasurer, who shall be the
21 chief financial officer of the authority, must be members of the
22 board.

23 (2) The business which a board may perform shall be conducted
24 at a public meeting of the board held in compliance with the open
25 meetings act, 1976 PA 267, MCL 15.261 to 15.275. Public notice of
26 the time, date, and place of the meeting shall be given in the
27 manner required by the open meetings act, 1976 PA 267, MCL 15.261

1 to 15.275. A board shall adopt rules consistent with the open
2 meetings act, 1976 PA 267, MCL 15.261 to 15.275, governing its
3 procedures and the holding of meetings.

4 (3) A board may adopt a corporate seal.

5 Sec. 11. (1) After organization, a board shall adopt a
6 schedule of regular meetings and adopt a regular meeting date,
7 place, and time. The board chairperson shall call a special meeting
8 as provided in the rules of procedure of the board or upon request
9 of 2 members of the board. Notice of a special meeting shall be
10 given in the manner required by the open meetings act, 1976 PA 267,
11 MCL 15.261 to 15.275. A board shall keep a written or printed
12 record of each meeting, which record and any other writing
13 prepared, owned, used, in the possession of, or retained by the
14 board in the performance of an official function shall be made
15 available to the public in compliance with the freedom of
16 information act, 1976 PA 442, MCL 15.231 to 15.246.

17 (2) A board shall provide for a system of accounts to conform
18 to a uniform system required by law and for the auditing of the
19 accounts of the authority. A board shall obtain an annual audit of
20 the authority by an independent certified public accountant, and
21 report on the audit and auditing procedures, in the manner provided
22 by sections 6 to 13 of the uniform budgeting and accounting act,
23 1968 PA 2, MCL 141.426 to 141.433. The audit shall also be in
24 accordance with generally accepted government auditing standards as
25 promulgated by the United States general accounting office and
26 shall satisfy federal regulations relating to federal grant
27 compliance audit requirements.

1 (3) A board shall require of the treasurer and chief executive
2 officer of the authority a suitable bond of not less than
3 \$50,000.00 by a responsible bonding company, and the cost of the
4 premium of the bond shall be paid by the authority.

5 (4) A board may appoint and fix the compensation of a chief
6 executive officer of the authority by a vote of not less than the
7 majority of the members of the board then serving. The board shall
8 prescribe those duties and responsibilities of the chief executive
9 officer of the authority that are in addition to the duties and
10 responsibilities imposed upon the chief executive officer of the
11 authority by this act. The chief executive officer of an authority
12 shall serve at the pleasure of the board, and the board may remove
13 or discharge the chief executive officer of the authority by a vote
14 of not less than the majority of the members of the board then
15 serving.

16 (5) The board shall provide for the purchase of, the
17 contracting for, and the providing of supplies, materials,
18 services, insurance, utilities, third-party financing, equipment,
19 printing, and all other items as needed by the authority, and shall
20 adopt a procurement policy for those purchases. The authority shall
21 not be required to solicit bids for professional services,
22 including, but not limited to, professional services in relation to
23 construction projects.

24 (6) The board may delegate its procurement authority to the
25 chief executive officer of the authority within dollar limitations
26 and for designated types of procurements as determined by the
27 board.

1 (7) An authority may enter into lease purchases or installment
2 purchases for periods not exceeding the anticipated useful life of
3 the items purchased. An authority may enter into a cooperative
4 purchasing agreement with the state or other public entities for
5 the purchase of goods, including, but not limited to, recycled
6 goods, and services necessary for the authority.

7 (8) An authority shall establish policies and coordinate
8 efforts for the authority to preclude the opportunity for and the
9 occurrence of transactions by the authority that would create a
10 conflict of interest involving members of the board and employees
11 of the authority. At a minimum, these policies to be established
12 for an authority shall include compliance by each member of the
13 board and employees of the authority who regularly exercise
14 significant discretion over the award and management of authority
15 procurements with policies governing the following:

16 (a) Annual public financial disclosure statements of
17 significant financial interests.

18 (b) Immediate disclosure of the existence and nature of any
19 financial interest that would reasonably be expected to create a
20 conflict of interest.

21 (c) Withdrawal by an employee or member from participation in
22 or discussion or evaluation of any recommendation or decision
23 involving an authority procurement that would reasonably be
24 expected to create a conflict of interest for that employee or
25 member.

26 Sec. 12. Prior to the beginning of each fiscal year, the board
27 shall cause to be prepared a budget containing an itemized

1 statement of the estimated current operational expenses and the
2 expenses for capital outlay including funds for the operation and
3 development of a convention facility under the jurisdiction of the
4 board, including the amount necessary to pay the principal and
5 interest of any outstanding bonds or other obligations of the
6 authority maturing during the ensuing fiscal year or which have
7 previously matured and are unpaid, and an estimate of the estimated
8 revenue of the authority from all sources for the ensuing fiscal
9 year. The board shall adopt that budget as shall be deemed
10 necessary in accordance with the uniform budget and accounting act,
11 1968 PA 2, MCL 141.421 to 141.440a.

12 Sec. 13. (1) An authority may do all things necessary or
13 convenient to carry out the purposes, objectives, and provisions of
14 this act and the purposes, objectives, and powers delegated to the
15 authority or the board by other laws or executive orders,
16 including, without limitation, all of the following:

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

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

20 (c) Develop a convention facility.

21 (d) Make and enter into all contracts and agreements necessary
22 or incidental to the performance of its duties and execution of its
23 powers under this act with any federal, state, or local
24 governmental agency or with any other person, public or private,
25 upon terms and conditions acceptable to the authority.

26 (e) Bargain collectively and enter into agreements with labor
27 organizations pursuant to 1947 PA 336, MCL 423.201 to 423.217.

1 (f) Contract with a management firm, either corporate or
2 otherwise, to operate a convention facility, under the supervision
3 of the authority.

4 (g) Solicit, receive, and accept from any source gifts,
5 grants, loans, or contributions of money, property, or other things
6 of value, and other aid or payment, or participate in any other way
7 in a federal, state, or local government program.

8 (h) Make application for and receive loans, grants,
9 guarantees, or other financial assistance in aid of a convention
10 facility from any state, federal, county, or municipal government
11 or agency or from any other source, public or private, including
12 financial assistance for purposes of planning, constructing,
13 improving, and operating the convention facility.

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

17 (j) Invest money of the authority under 1943 PA 20, MCL 129.91
18 to 129.96, and, subject to the limitations provided in this act,
19 under the public employee retirement system investment act, 1965 PA
20 314, MCL 38.1132 to 38.1140m, and deposit money of the authority in
21 accordance with law.

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

26 (l) Indemnify and procure insurance indemnifying members of the
27 board from personal loss or accountability for liability asserted

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

6 (m) Establish and maintain an office and employ and fix
7 compensation for personnel of the authority.

8 (n) Hire a chief executive officer.

9 (o) Hold, clear, remediate, improve, maintain, manage,
10 control, sell, exchange, lease, as lessor or lessee, and obtain or
11 grant easements and licenses on property that the authority
12 acquires. A sale, exchange, lease, or other disposition of
13 authority property shall be to a person or persons for a project or
14 projects involving a convention facility. Property acquired by the
15 authority and later determined by the authority to be not necessary
16 for a convention facility may be sold or otherwise disposed of as
17 surplus property. Temporary or permanent easements or licenses or
18 other appropriate interests in property acquired by the authority
19 may be conveyed or granted by the authority for utility, vehicular,
20 or pedestrian traffic facilities or related purposes not
21 inconsistent with this act.

22 (p) Issue bonds and notes as provided in this act.

23 (q) Assume and perform the obligations and covenants of a
24 local government related to the convention facility.

25 (r) Take by grant, purchase, devise, or lease, or by the
26 exercise of the right of eminent domain, or otherwise acquire and
27 hold, real and personal property, in fee simple or any lesser

1 interest or easement, as an authority may deem necessary either for
2 the construction of any part of a convention facility or for the
3 efficient operation or for the extension of a convention facility
4 acquired or constructed or to be acquired or constructed under this
5 act, and, except as otherwise provided by this act, hold in its
6 name, lease, and dispose of all real and personal property owned by
7 or under the operational jurisdiction of the authority. If land is
8 acquired by condemnation, the provisions of the uniform
9 condemnation procedures act, 1980 PA 87, MCL 213.51 to 213.75, or
10 any successor statute shall be adopted and used for the purpose of
11 instituting and prosecuting the condemnation proceedings. For the
12 purpose of making surveys and examinations relative to any
13 condemnation proceedings, it shall be lawful to enter upon any
14 land, doing no unnecessary damage. The acquisition of any lands by
15 an authority for a convention facility in furtherance of the
16 purposes of the authority, and the exercise of any other powers
17 herein granted to the authority, are hereby declared as a matter of
18 legislative determination to be public, governmental, and municipal
19 functions, purposes, and uses exercised for a public purpose and
20 matters of public necessity.

21 (s) Adopt and enforce in the courts of the state reasonable
22 rules and regulations for the orderly, safe, efficient, and
23 sanitary operation and use of a convention facility owned by the
24 authority or under its operational jurisdiction, including
25 penalties of a misdemeanor punishable by imprisonment for up to 1
26 year for a specific violation of the rules and regulations.

27 (t) Enter into exclusive or nonexclusive contracts, leases,

1 franchises, or other arrangements with any person or persons for
2 terms not exceeding 50 years, for 1 or more of the following
3 purposes:

4 (i) Granting the privilege of using or improving or having
5 access to all or any portion of a convention facility for
6 commercial purposes.

7 (ii) Granting the privilege of naming or placing advertising on
8 or in all or any portion of a convention facility.

9 (iii) Granting the privilege of supplying goods, commodities,
10 things, services, or facilities at a convention facility or any
11 portion of a convention facility.

12 (iv) Making available services to be furnished by the authority
13 at a convention facility, or any portion of a convention facility,
14 that are under the operational jurisdiction of the authority.

15 (u) Contract with law enforcement agencies for the purpose of
16 providing security and law enforcement functions at a convention
17 facility.

18 (v) Establish and fix, or authorize the chief executive
19 officer to establish and fix, a schedule of rents, admission fees,
20 or other charges for occupancy, use of, or admission to any
21 convention facility operated by the authority and provide for the
22 collection and enforcement of those rents, admission fees, or other
23 charges.

24 (w) Do all other acts and things necessary or convenient to
25 carrying out the purposes for which the authority was established.

26 (2) An authority created under section 4 may make payments to
27 counties of the state to compensate for diminished payments to

1 counties under section 10 of the state convention facility
2 development act, 1985 PA 106, MCL 207.630, resulting from increased
3 disbursements under section 9 of the state convention facility
4 development act, 1985 PA 106, MCL 207.629, to pay for obligations
5 of the authority. Any payment made under this subsection shall not
6 exceed an amount which, with interest earnings thereon, is equal to
7 the diminution in payments under section 10 of the state convention
8 facility development act, 1985 PA 106, MCL 207.630, resulting from
9 increased disbursements under section 9 of the state convention
10 facility development act, 1985 PA 106, MCL 207.629, to pay for
11 obligations of the authority. An authority making payments under
12 this subsection may by resolution establish a trust and place all
13 or a portion of such payments into the trust in lieu of full,
14 immediate payments directly to counties entitled to such payments.

15 (3) The resolution establishing the trust shall include all of
16 the following:

17 (a) The designation of a person or persons who shall act as
18 the trust's investment fiduciary.

19 (b) A restriction of withdrawals from the trust solely for
20 payments to counties of the state to compensate for diminished
21 payments to such counties under section 10 of the state convention
22 facility development act, 1985 PA 106, MCL 207.630, resulting from
23 increased disbursements under section 9 of the state convention
24 facility development act, 1985 PA 106, MCL 207.629, to pay for
25 obligations of the authority and the payment of the expenses of
26 administration of the trust.

27 (4) An investment fiduciary shall invest the assets of the

1 trust in accordance with an investment policy adopted by the board
2 that complies with section 13 of the public employee retirement
3 system investment act, 1965 PA 314, MCL 38.1133. However, the
4 investment fiduciary shall discharge his or her duties solely in
5 the interest of the authority. The authority may invest the trust's
6 assets in the investment instruments and subject to the investment
7 limitations governing the investment of assets of public employee
8 retirement systems under the public employee retirement system
9 investment act, 1965 PA 314, MCL 38.1132 to 38.1140m.

10 (5) Notwithstanding any other provision of law to the
11 contrary, an authority shall not have the power to impose or levy
12 taxes.

13 Sec. 13a. The board of an authority created under section 4 of
14 this act may, by resolution, establish a sales-tax-free zone,
15 within which sales of tangible personal property are exempt from
16 taxation under section 4gg of the general sales tax act, 1933 PA
17 167, MCL 205.54gg. A resolution creating a sales-tax-free zone
18 shall contain a detailed description of the boundaries of the
19 sales-tax-free zone, which shall not exceed the boundaries of the
20 qualified convention facility owned by the authority.

21 Sec. 14. (1) The chief executive officer of an authority shall
22 supervise, and be responsible for, the day-to-day operation of the
23 convention facility, including the control, supervision,
24 management, and oversight of the convention facility, the issuance
25 of bonds and notes approved by the board, the negotiation and
26 establishment of compensation and other terms and conditions of
27 employment for employees of the authority, the negotiation,

1 supervision, and enforcement of contracts entered into by the
2 authority, and the supervision of contractors of the authority in
3 their performance of their duties. The chief executive officer of
4 an authority shall have the power and authority to execute and
5 deliver, and to delegate signatory power for, contracts, leases,
6 obligations, and other instruments as have been approved by the
7 board or for which power to approve has been delegated to the chief
8 executive officer of the authority.

9 (2) The chief executive officer of an authority shall have all
10 powers as are incident to the performance of his or her duties that
11 are prescribed by this act or by the board. All actions of the
12 chief executive officer of an authority shall be in conformance
13 with the policies of the board and in compliance with law.

14 (3) The chief executive officer of an authority may appoint a
15 chief financial officer who may also act as treasurer of the
16 authority.

17 Sec. 15. (1) On the transfer date, all right, title, and
18 interest in the convention facility owned by the local government
19 are conveyed and transferred to the authority, and the authority
20 acquires, succeeds to, and assumes the exclusive right,
21 responsibility, and authority to own, occupy, operate, control, and
22 use the convention facility from and after the transfer date,
23 including all lands, buildings, improvements, structures,
24 easements, rights of access, and all other privileges and
25 appurtenances pertaining to the convention facility, subject only
26 to those restrictions imposed by this act. The officers of the
27 local government conveying the convention facility to the authority

1 shall execute such instruments of conveyance, assignment, and
2 transfer as may, in the authority's judgment, be necessary or
3 appropriate to accomplish the foregoing.

4 (2) On the transfer date, the authority acquires and succeeds
5 to all rights, title, and interests in and to the fixtures,
6 equipment, materials, furnishings, and other personal property of
7 the local government owned and used for purposes of the convention
8 facility. The officers of the local government conveying the
9 convention facility to the authority shall execute such instruments
10 of conveyance, assignment, and transfer as may, in the authority's
11 judgment, be necessary or appropriate to accomplish the foregoing.

12 (3) The authority may, in its sole discretion, by resolution,
13 assume, accept, or become liable for any or all of the lawful
14 agreements, obligations, promises, covenants, commitments, and
15 other requirements of the local government conveying the convention
16 facility in respect of the convention facility, but excepting
17 certain unfunded pension and postretirement benefit obligations of
18 the local government, and the authority shall perform all of the
19 duties and obligations and shall be entitled to all of the rights
20 of the local government in respect of the convention facility under
21 any agreements expressly assumed and accepted by the authority
22 pursuant to this act, ordinances, and resolutions and under law.

23 (4) There shall be transferred to the authority all licenses,
24 permits, approvals, or awards related to the convention facility,
25 all grant agreements, grant preapplications, the right to receive
26 the balance of any funds payable under the agreements, the right to
27 receive any amounts payable to the local government on the transfer

1 date and amounts paid to the local government after the transfer
2 date, as well as the benefit of contracts and agreements, and all
3 of the local government's duties, liabilities, responsibilities,
4 and obligations as owner of the convention facility, except for any
5 obligations or liabilities which are contested in good faith by,
6 or, as of the transfer date, unknown to, the authority.

7 (5) The authority shall not assume any unfunded obligations of
8 the local government to provide pensions or retiree health
9 insurance. Upon request by the authority, the local government
10 shall provide the authority with a statement of the amount of such
11 unfunded obligations, determined by a professional actuary
12 acceptable to the authority.

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

26 (7) The exclusive right and authority to own, occupy, operate,
27 control, and use the convention facility shall include, but not be

1 limited to:

2 (a) Ownership and operational jurisdiction over all real
3 property of the convention facility, subject to any liens of record
4 and legal restrictions and limitations on the use of the property.

5 (b) The local government's right, title, and interest in, and,
6 to the extent accepted by the authority, all of the local
7 government's responsibilities arising under leases and concessions
8 relating to, a convention facility.

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

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

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

15 (c) All cash balances and investments relating to or resulting
16 from operations of the convention facility, all funds held under an
17 ordinance, resolution, or indenture related to or securing
18 obligations of the local government that have been assumed by the
19 authority, and all of the accounts receivable or choses in action
20 arising from operations of the convention facility.

21 (d) All office equipment, including, but not limited to,
22 computers, records and files, software, and software licenses
23 required for financial management, personnel management, accounting
24 and inventory systems, and general administration.

25 Sec. 16. (1) The transfer of the real and personal property
26 and operational jurisdiction over a convention facility to the
27 authority may not in any way impair any contracts with licensees,

1 franchisees, vendors, tenants, bondholders, or other parties in
2 privity with the local government that owned the convention
3 facility which has been transferred to an authority, provided such
4 contracts were not entered into or modified in violation of this
5 act.

6 (2) From and after the transfer date, a local government from
7 which a convention facility has been transferred shall be relieved
8 from all further costs and responsibility arising from or
9 associated with control, operation, development, and maintenance of
10 that convention facility, except to the extent that in any fiscal
11 year funds of the authority available for the purpose of paying the
12 cost of operating and maintaining a convention facility are
13 insufficient to pay such cost, in which case the local government
14 shall be responsible for the difference between the cost of
15 operating and maintaining a convention facility and the funds of
16 the authority available to pay such cost, or as otherwise required
17 under obligations retained by the local government under this act,
18 or as otherwise agreed by the local government. In addition, the
19 local government shall continue to be responsible for all costs
20 associated with local municipal services, including, but not
21 limited to, police, fire, and emergency medical services, without
22 any additional compensation from the authority.

23 (3) A local government that owns a convention facility which
24 shall be subject to transfer or owned a convention facility which
25 has been transferred to an authority pursuant to this act shall
26 comply with all of the following, before and following the
27 transfer:

1 (a) Refrain from any action to sell, transfer, or otherwise
2 dispose of a convention facility owned by the local government
3 other than to the authority or to increase the obligations in
4 respect of the convention facility, without the consent of the
5 authority.

6 (b) Refrain from any approval of or material modification to
7 any collective bargaining agreement in respect of local government
8 employees employed at or assigned to a convention facility or, for
9 employees not covered by collective bargaining agreements, to any
10 benefit plans in respect of such employees. Any such approval or
11 modification shall be null and void.

12 (c) Refrain from any action that, in the authority's judgment,
13 would impair the authority's exercise of the powers granted to the
14 authority under this act or that would impair the efficient
15 operation and management of the convention facility.

16 (d) Take all actions reasonably necessary to cure any defects
17 in title to a convention facility which shall be or has been
18 transferred under this act, including providing documents, records,
19 and proceedings in respect of title.

20 (e) At the request of an authority, grant any license,
21 easement, or right-of-way in connection with the convention
22 facility to the extent the authority has not been empowered to take
23 these actions.

24 (f) Upon creation or incorporation of an authority and prior
25 to the transfer date of the convention facility to the authority,
26 conduct operations, maintenance, and repair of the convention
27 facility in the ordinary and usual course of business.

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

10 (5) The chief executive officer of a local government from
11 which right, title, interest, and ownership of a qualified
12 convention facility are to be transferred to an authority shall
13 take all reasonable steps to cancel or terminate each and any
14 agreement to which the local government from which right, title,
15 interest, and ownership of a qualified convention facility are to
16 be transferred to an authority is a party and which meets all the
17 following criteria:

18 (a) The agreement relates to the qualified convention facility
19 and the authority has not expressly assumed or accepted the
20 agreement under section 15(3).

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

22 (c) In the absence of such cancellation or termination, the
23 authority would become a party to such agreement by succession,
24 assignment, operation of law, or any other involuntary means.

25 Sec. 17. (1) The authority, as of the transfer date,
26 immediately shall assume and be bound by any existing collective
27 bargaining agreements applicable to employees of the local

1 government whose employment is transferred to the authority either
2 as a result of the authority's express assumption of the employees
3 or by application of section 15(3) for the remainder of the term of
4 the collective bargaining agreement. Local government employees
5 whose employment is not transferred to the authority shall be
6 reassigned within the local government, pursuant to the terms of
7 any applicable collective bargaining agreements. A representative
8 of the employees or a group of employees in the local government
9 who represents or is entitled to represent the employees or a group
10 of employees of the local government, pursuant to 1947 PA 336, MCL
11 423.201 to 423.217, shall continue to represent the employee or
12 group of employees after the employees transfer to the authority.
13 This subsection does not limit the rights of employees, pursuant to
14 applicable law, to assert that a bargaining representative
15 protected by this subsection is no longer their representative. The
16 rights and benefits protected by this subsection may be altered by
17 a future collective bargaining agreement or, for employees not
18 covered by collective bargaining agreements, by benefit plans as
19 established and adopted by the authority.

20 (2) Transferred employees shall not by reason of the transfer
21 have their accrued local government pension benefits or credits
22 diminished. If a transferring employee is not vested in his or her
23 local government pension rights at the time of transfer, his or her
24 posttransfer service with the authority shall be credited toward
25 vesting in any local government retirement system in which the
26 transferring employee participated prior to the transfer, but
27 posttransfer service with the authority shall not be credited for

1 any other purpose under the local government's retirement system,
2 except as provided in subsection (4).

3 (3) A transferred local government employee described in this
4 section or a person hired by the authority as a new employee after
5 the transfer date shall remain or become a participant in the local
6 government retirement system until the authority has established
7 its own retirement system or pension plan. During the period the
8 employee remains or is a participant in the local government
9 system, the employee's posttransfer service with the authority and
10 his or her posttransfer compensation from the authority shall be
11 counted in determining both eligibility for and the amount of
12 pension benefits that the employee will be eligible to receive from
13 the local government system or plan.

14 (4) If the local government maintains a retirement system that
15 provides for continuing participation and benefit accrual by local
16 government employees who transfer their employment to another
17 entity in conjunction with transfer of a local government function
18 to that entity, then the transferred employee may elect to remain a
19 participant in the local government retirement system in lieu of
20 participation in any retirement system or pension plan of the
21 authority. By electing to remain a participant in the local
22 government system, the employee's posttransfer service with the
23 authority and his or her posttransfer compensation from the
24 authority shall be counted in determining both eligibility for and
25 the amount of pension benefits that the employee will be eligible
26 to receive from the local government system or plan. Any election
27 to remain in a local government system or plan shall be made within

1 60 days following the date the authority has established its own
2 retirement system or pension plan and shall be irrevocable.
3 Employees eligible to make the election described in this
4 subsection shall be those employees who immediately before their
5 transfer date were participating in the local government system and
6 who agree to make any employee contributions required for
7 continuing participation in the local government system and also
8 agree to meet all requirements and be subject to all conditions
9 which, from time to time, apply to employees of the local
10 government who participate in the local government system.

11 (5) For each employee meeting the requirements of subsection
12 (4) who elects to remain a participant in the local government
13 retirement system, the authority shall, on a timely basis,
14 contribute, as applicable, to the trustees of that retirement
15 system an amount determined by the local government system's
16 actuary to be sufficient to fund the liability for all of that
17 employee's retirement and other postemployment benefits under the
18 system on a current basis, as those liabilities are accrued from
19 and after the transfer date.

20 Sec. 18. (1) The board by resolution may establish a
21 convention facility operating trust fund for the purpose of
22 accumulating funds to pay for the cost of operating and maintaining
23 a convention facility. Money for operating and maintaining a
24 convention facility, at the authority's discretion, may be provided
25 from this fund or any other money of the authority. The resolution
26 establishing the fund shall include all of the following:

27 (a) The designation of a person or persons who shall act as

1 the fund's investment fiduciary.

2 (b) A restriction of withdrawals from the fund solely for the
3 payment of reasonable operating and maintenance expenses of a
4 convention facility and the payment of the expenses of
5 administration of the fund.

6 (2) An investment fiduciary shall invest the assets of the
7 fund in accordance with an investment policy adopted by the board
8 that complies with section 13 of the public employee retirement
9 system investment act, 1965 PA 314, MCL 38.1133. However, the
10 investment fiduciary shall discharge his or her duties solely in
11 the interest of the authority. The authority may invest the fund's
12 assets in the investment instruments and subject to the investment
13 limitations governing the investment of assets of public employee
14 retirement systems under the public employee retirement system
15 investment act, 1965 PA 314, MCL 38.1132 to 38.1140m.

16 Sec. 19. (1) An authority may raise revenues to fund all of
17 its activities, operations, and investments consistent with its
18 purposes. The sources of revenue available to the authority may
19 include, but are not limited to, any of the following:

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

23 (b) Federal, state, or local government grants, loans,
24 appropriations, payments, or contributions.

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

27 (d) Grants, loans, appropriations, payments, proceeds from

1 repayments of loans made by the authority, or contributions from
2 public or private sources.

3 (e) Distributions from the convention facility development
4 fund of the state pursuant to the state convention facility
5 development act, 1985 PA 106, MCL 207.621 to 207.640.

6 (f) Investment earnings on the revenues described in
7 subdivisions (a) to (e).

8 (2) The revenues raised by an authority may be pledged, in
9 whole or in part, for the repayment of bonded indebtedness and
10 other expenditures issued or incurred by the authority.

11 Sec. 20. The authority may, but shall not be required to,
12 accept the transfer of ownership or operational jurisdiction of
13 other convention facilities within the area of the authority. The
14 terms and conditions of any such transfer shall be subject to the
15 approval of the board in its sole discretion.

16 Sec. 21. For the purpose of acquiring, purchasing,
17 constructing, improving, enlarging, furnishing, equipping,
18 reequipping, or repairing a convention facility transferred
19 pursuant to this act or hereafter acquired by the authority, the
20 authority may issue self-liquidating bonds of the authority in
21 accordance with and exercise all of the powers conferred upon
22 public corporations by the revenue bond act of 1933, 1933 PA 94,
23 MCL 141.101 to 141.139. Revenue bonds issued by the authority are
24 not a debt of any qualified county, county, qualified city, or this
25 state.

26 Sec. 22. (1) The authority may borrow money and issue
27 municipal securities in accordance with and exercise all of the

1 powers conferred upon municipalities by the revised municipal
2 finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

3 (2) The authority may issue a municipal security which bears
4 no interest and appreciates as to principal amount if the municipal
5 security is rated investment grade by a nationally recognized
6 rating agency or has insurance for payment of the principal and
7 interest on the municipal security to the holders of the municipal
8 security. The municipal securities authorized by this subsection
9 shall be exempt from the limitations of section 305 of the revised
10 municipal finance act, 2001 PA 34, MCL 141.2305, excepting that the
11 accreted principal amount of the municipal security shall be
12 considered interest and shall be within the interest rate
13 limitations provided in section 305(1) of the revised municipal
14 finance act, 2001 PA 34, MCL 141.2305.

15 (3) An authority shall assume all of the outstanding
16 securities of a local government which were originally issued to
17 finance the acquisition or construction of, or improvements to, a
18 convention facility that has been transferred to the authority, and
19 the authority shall refund or defease such securities. If the
20 authority refunds the outstanding securities assumed under this
21 subsection, that refunding shall be deemed, as a matter of law, to
22 be necessary to eliminate requirements of covenants applicable to
23 the existing outstanding securities.

24 Sec. 23. (1) All bonds or other evidences of indebtedness
25 issued by an authority under this act, and the interest on the
26 bonds or other evidences of indebtedness, are free and exempt from
27 all taxation within this state, except for transfer and franchise

1 taxes.

2 (2) Except as otherwise provided in this subsection, the
3 property of the authority and its income and operations are exempt
4 from all taxes and special assessments of this state or a political
5 subdivision of this state. Property of the authority and its income
6 and operations that are leased to private persons are not exempt
7 from any tax or special assessment of this state or a political
8 subdivision of this state. Property of the authority is exempt from
9 any ad valorem property taxes levied under the general property tax
10 act, 1893 PA 206, MCL 211.1 to 211.155. An authority is an entity
11 of government for purposes of section 4a(1)(a) of the general sales
12 tax act, 1933 PA 167, MCL 205.54a.

13 Sec. 24. (1) The legislative body of any local government
14 within the area of the authority is hereby authorized to take 1 or
15 more of the following actions:

16 (a) Pledge its full faith and credit behind any obligation or
17 evidence of indebtedness of the authority.

18 (b) Advance funds to the authority for working capital and
19 other purposes of the authority on terms and conditions agreed to
20 by the authority and the local government.

21 (c) Appropriate and grant funds to the authority in
22 furtherance of the authority's purposes.

23 (d) Grant and convey to the authority real or personal
24 property of any kind or nature, or any interest in real or personal
25 property, for the carrying out of the authorized purposes of the
26 authority.

27 (e) Enter into cooperative agreements and arrangements with

1 the authority or with other local governments within the area of
2 the authority in furtherance of the authority's purposes.

3 (2) A pledge made pursuant to this section shall be at the
4 discretion of the legislative body of the local government and may
5 be subject to an agreement providing for terms and conditions of
6 the pledge and for repayment of any amount paid pursuant to the
7 pledge as the authority and the local government may determine
8 necessary and advisable.

9 (3) Any agreement by an authority to repay an advance made
10 pursuant to this section, and any obligation incurred to evidence
11 any obligation of the authority under that agreement, shall not be
12 subject to the revised municipal finance act, 2001 PA 34, MCL
13 141.2101 to 141.2821.

14 Sec. 25. (1) For the purpose of more effectively managing its
15 debt service, an authority may enter into an interest rate exchange
16 or swap, hedge, or similar agreement or agreements in connection
17 with the issuance or proposed issuance of obligations or other
18 evidences of indebtedness or in connection with its then-
19 outstanding obligations or other evidences of indebtedness.

20 (2) 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 (3) 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 that shall be
3 specified by the agreement, securing the obligation or evidence of
4 indebtedness in connection with which the agreement is entered
5 into.

6 Sec. 26. (1) Notwithstanding any other provisions of this act
7 or any other law, the provisions of all ordinances, resolutions,
8 and other proceedings of the local government in respect to any
9 outstanding bonds, notes, or any and all evidences of indebtedness
10 or liability assumed by an authority pursuant to this act, if any,
11 shall constitute a contract between the authority and the holders
12 of the bonds, notes, or evidences of indebtedness or liability, and
13 shall have their provisions enforceable against the authority or
14 any or all of its successors or assigns, by mandamus or any other
15 appropriate suit, action, or proceeding in law or in equity in any
16 court of competent jurisdiction in accordance with law.

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

24 (3) Nothing in this act or in any other law shall be held to
25 relieve the local government from which a convention facility has
26 been transferred from any bonded or other debt or liability
27 lawfully contracted by the local government, to which the full

1 faith and credit of the local government has been pledged and which
2 remains outstanding as of the transfer date, notwithstanding that
3 the proceeds of the debt or liability have been used by the local
4 government in support of the convention facility.

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

18 Sec. 27. If any section, subsection, paragraph, clause, or
19 provision of this act shall be adjudged unconstitutional or
20 ineffective, no other section, subsection, paragraph, clause, or
21 provision of this act shall on account thereof be deemed invalid or
22 ineffective, and the inapplicability or invalidity of any section,
23 subsection, paragraph, clause, or provision of this act in any 1 or
24 more instances or under any 1 or more circumstances shall not be
25 taken to affect or prejudice in any way its applicability or
26 validity in any other instance or under any other circumstance.

27 Enacting section 1. This act does not take effect unless all

1 of the following bills of the 94th Legislature are enacted into
2 law:

3 (a) Senate Bill No.____ or House Bill No. 5691(request no.
4 04082'07 ****).

5 (b) Senate Bill No.____ or House Bill No. 5692(request no.
6 05887'07 ****).