

SENATE BILL No. 866

December 6, 2011, Introduced by Senator ROBERTSON and referred to the Committee on Local Government and Elections.

A bill to amend 1986 PA 196, entitled
"Public transportation authority act,"
by amending sections 8 and 18 (MCL 124.458 and 124.468), as amended
by 2006 PA 175.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 8. (1) Except as otherwise provided in ~~subsection (2),~~
2 **THIS SECTION,** a political subdivision that is a member of a public
3 authority or the portion of a city, village, or township ~~, which~~
4 ~~portion~~ **THAT** is a member of a public authority may be released from
5 membership in the public authority if all of the following
6 conditions are met:

7 (a) Adoption of a resolution by a majority of the members
8 elected to and serving on the legislative body of the political
9 subdivision requesting release from membership.

1 (b) Acceptance of the request by a 2/3 vote of the members
2 serving on the board of the public authority, excluding the members
3 representing the political subdivision requesting release.

4 (c) Payment or the provision for payment is made regarding all
5 obligations of the political subdivision to the public authority or
6 its creditors.

7 (2) Notwithstanding subsection (1) **OR (5)**, an entity that is a
8 political subdivision and is a member of a public authority or the
9 portion of a city, village, or township ~~, which portion~~ **THAT** is a
10 member of a public authority ~~, may~~ be released from membership in
11 the public authority if all of the following conditions are met:

12 (a) The entity desiring to withdraw from the authority has
13 approved the question by a majority of the qualified and registered
14 electors voting at a general or special election held in November
15 before the expiration of a tax authorized to be levied under this
16 act.

17 (b) Subject to subsection (6), a petition that bears the
18 signatures of registered electors of the entity equal to at least
19 20% of the number of votes cast in the political subdivision or
20 portion of a city, village, or township for all candidates for
21 governor in the last general election in which a governor was
22 elected and that requires the governing body of the entity by
23 resolution to submit the question to its electors at the next
24 general or special election is filed ~~not less than 60 days~~ **NOT**
25 **LATER THAN 4 P.M. ON THE TWELFTH TUESDAY** before the election with
26 the clerk of the entity presenting the question.

27 (c) The vote upon the question approving the resolution is by

1 ballot and is in substantially the following form:

2 "Shall _____ (township, village, city, or other) as
3 provided by 1986 PA 196 withdraw from the authority as a member?

4 Yes _____

5 No _____".

6 (d) All ballots are cast, canvassed, and the results of the
7 election certified in the same manner as ballots on any other
8 question submitted to the electors of the entity seeking withdrawal
9 pursuant to the Michigan election law, 1954 PA 116, MCL 168.1 to
10 168.992.

11 (e) Payment or the provision for payment is made regarding all
12 obligations of the political subdivision to the public authority or
13 its creditors. If withdrawal is approved by a majority of the
14 electors voting on the question, the decision will take effect at
15 the expiration date of the tax and neither the authority nor
16 officials of the political subdivision may appeal or amend this
17 decision.

18 (3) A tax authorized to be levied by a public authority within
19 the boundaries of the political subdivision or the portion of a
20 political subdivision to be released shall continue to be levied
21 for the period of time originally authorized and shall be paid over
22 to the public authority originally authorized to be the recipient
23 of the tax revenue. A political subdivision or portion of a
24 political subdivision that has been released from an authority
25 shall continue to receive transportation services from the
26 authority until the political subdivision or portion of the
27 political subdivision is no longer required to pay a tax levied by

1 the authority.

2 (4) Release of a political subdivision or portion of a
3 political subdivision from a public authority shall be evidenced by
4 an amendment to the articles of incorporation executed by the
5 recording officer of a public authority and filed and published in
6 the same manner as the original articles of incorporation.

7 (5) A political subdivision or other entity that is part of a
8 public authority under this act may withdraw from the public
9 authority until the expiration of ~~the thirtieth day following~~ **30**
10 **DAYS AFTER** the date the public authority is incorporated or until
11 the expiration of ~~the thirtieth day~~ **30 DAYS** after receiving
12 notification under subsection (7), whichever is later, without
13 meeting the conditions listed in subsection (1) or (2). If a public
14 authority under this act has as a member a political subdivision
15 that is part of a metropolitan statistical area, as defined by the
16 United States department of commerce or a successor agency, and the
17 metropolitan statistical area has a population of not less than
18 600,000 and not more than 1,500,000, a political subdivision or
19 other entity that is part of the public authority may also withdraw
20 from the public authority until the expiration of 30 days after the
21 date on which the board of the public authority adopts a resolution
22 calling for an election for the purpose of levying a tax pursuant
23 to section 18, without meeting the conditions listed in subsection
24 (1) or (2). If all or a portion of a city, village, or township is
25 part of an authority incorporating as a public authority under this
26 act, the city, village, or township may also decide to only
27 withdraw a portion of the entity bounded by the **PRECINCT** lines

1 described in section 4 from the public authority under the deadline
2 established in this subsection. In addition, a political
3 subdivision or other entity that is part of a public authority
4 under this act may withdraw from the public authority in any year
5 in which a tax authorized to be levied under this act expires,
6 without meeting the conditions listed in subsection (1) or (2), if
7 the political subdivision or entity makes the determination to
8 withdraw by a vote of its legislative body held in January of that
9 year. Further, if all or a portion of a city, village, or township
10 is part of an authority incorporating as a public authority under
11 this act, the city, village, or township may also decide to only
12 withdraw a portion of the entity bounded by the lines described in
13 section 4 from the public authority in that same January. However,
14 if a tax is authorized to be levied in a political subdivision or
15 portion of a political subdivision by a public authority under this
16 act and the political subdivision or portion of a political
17 subdivision withdraws pursuant to this subsection, the tax shall
18 continue to be levied in the political subdivision or portion of a
19 political subdivision for the period of time originally authorized.
20 A political subdivision or portion of a political subdivision that
21 withdraws from the authority shall continue to receive public
22 transportation services from the authority until the political
23 subdivision or portion of the political subdivision is no longer
24 required to pay a tax levied by the authority.

25 (6) A petition under subsection (2), including the circulation
26 and signing of the petition, is subject to section 488 of the
27 Michigan election law, 1954 PA 116, MCL 168.488. A person who

1 violates a provision of the Michigan election law, 1954 PA 116, MCL
2 168.1 to 168.992, applicable to a petition described in subsection
3 (2) is subject to the penalties prescribed for that violation in
4 the Michigan election law, 1954 PA 116, MCL 168.1 to 168.992.

5 (7) An authority that forms under this act on or after May 1,
6 2006 shall notify all political subdivisions or portions of any
7 city, village, or township that are included in the authority that
8 the political subdivision or portion of the political subdivision
9 is included in the authority. The authority shall include in this
10 notification notice of the right to withdraw from the authority
11 under this section. The political subdivision or portion of the
12 political subdivision that is notified has 30 days after receiving
13 the notification to withdraw from the authority pursuant to
14 subsection (5).

15 Sec. 18. (1) A public authority formed under this act may levy
16 a tax on all of the taxable property within the limits of the
17 public authority for public transportation purposes as authorized
18 by this act.

19 (2) The tax authorized in subsection (1) shall not exceed 5
20 mills of the state equalized valuation on each dollar of assessed
21 valuation of taxable property within the limits of the applicable
22 public authority.

23 (3) The tax authorized under subsection (1) shall not be
24 levied except upon the approval of a majority of the registered
25 electors residing in the public authority affected and qualified to
26 vote and voting on the tax at a general or special election. The
27 election may be called by resolution of the board of the public

1 authority. The recording officer of the public authority shall file
2 a copy of the resolution of the board calling the election with the
3 clerk of each affected county, city, or township ~~not less than 60~~
4 ~~days~~ **NOT LATER THAN 4 P.M. ON THE TWELFTH TUESDAY** before the date
5 of the election. The resolution calling the election shall contain
6 a statement of the proposition to be submitted to the electors.
7 Each county, city, and township clerk and all other county, city,
8 and township officials shall undertake those steps to properly
9 submit the proposition to the electors of the county, city, and
10 township at the election specified in the resolutions of the public
11 authority. The election shall be conducted and canvassed in
12 accordance with the Michigan election law, 1954 PA 116, MCL 168.1
13 to 168.992, except that if the public authority is located in more
14 than 1 county, the election shall be canvassed by the state board
15 of canvassers. The results of the election shall be certified to
16 the board of the public authority promptly after the date of the
17 election. Not more than 1 election may be held in a public
18 authority in a calendar year for approval of the tax authorized
19 under subsection (1). If the election is a special election, the
20 public authority in which the election is held shall pay its share
21 of the costs of the election.

22 (4) Except as otherwise provided in this subsection, the taxes
23 authorized by this section may be levied at a rate and for a period
24 of not more than 5 years as determined by the public authority in
25 the resolution calling the election and as set forth in the
26 proposition submitted to the electors. Taxes may be levied at a
27 rate and for a period of not more than 25 years as determined by

1 the public authority in the resolution calling the election and as
2 set forth in the proposition submitted to the electors if the
3 public authority seeking the levy is seeking the levy for public
4 transit services that include a fixed guideway project authorized
5 under 49 USC 5309.

6 (5) The tax rate authorized by this section shall be levied
7 and collected as are all ad valorem property taxes in the state and
8 the recording officer of the public authority shall at the
9 appropriate times certify to the proper tax assessing or collecting
10 officers of each tax collecting county, city, and township the
11 amount of taxes to be levied and collected each year by each
12 county, city, and township. Consistent with subsection (6), the
13 board of the public authority shall determine on which tax roll, if
14 there ~~be~~**IS** more than 1, of each county, city, or township that the
15 taxes authorized by this section shall be collected. Each tax
16 assessing and collecting officer and each county treasurer shall
17 levy and collect the taxes certified by the public authority and
18 pay those taxes to the public authority by the time provided in
19 section 43 of the general property tax act, 1893 PA 206, MCL
20 211.43. The tax rate authorized by this section may be first levied
21 by the public authority as a part of the first tax roll of the
22 appropriate counties, cities, and townships occurring after the
23 election described in subsection (3). The tax may be levied and
24 collected on the July or December tax roll next following the date
25 of election, if the tax is certified to the proper tax assessing
26 officials not later than May 15 or September 15, respectively, of
27 the year in which the election is held.

1 (6) A public authority ~~which~~ **THAT** is authorized to impose a
2 July property tax levy ~~and if it determines to do so, it shall~~
3 negotiate agreements with the appropriate cities and townships for
4 the collection of that levy **IF IT DETERMINES TO DO SO**. If a city or
5 township and the public authority fail to reach an agreement for
6 the collection by the city or township of the July property tax
7 levy of the public authority, the public authority then may
8 negotiate, until April 1, a proposed agreement with the county
9 treasurer to collect its July property tax levy against property
10 located in that city or township. If the county treasurer and the
11 public authority fail to reach an agreement for the collection by
12 the county of the July property tax levy of the public authority,
13 the July property tax levy shall be collected with the December
14 property tax levy. Any agreement negotiated under this subsection
15 shall guarantee the collecting unit its reasonable expenses. ~~The~~
16 ~~provisions of this~~ **THIS** subsection ~~shall~~ **DOES** not apply to a city
17 or township ~~which~~ **THAT** is levying a July property tax.

18 (7) If, pursuant to subsection (6), the public authority has
19 reached a proposed agreement with a county treasurer on the
20 collection of its July property tax levy against property located
21 in a city or township with which an agreement to collect this levy
22 could not be made pursuant to subsection (6), the public authority
23 shall notify ~~by April 15~~ that city or township of the terms of that
24 fact **BY APRIL 15** and the city or township shall have 15 days in
25 which to exercise an option to collect the public authority's July
26 property tax levy.

27 (8) Collection of all or part of a public authority's property

1 tax levy by a treasurer pursuant to subsection (6) or (7) shall
2 comply with all of the following:

3 (a) Collection shall be either 1/2 or the total of the
4 property tax levy against the properties, as specified for that
5 year in the resolution of the public authority.

6 (b) The amount the public authority has agreed to pay as
7 reasonable collection expenses shall be stated in writing and
8 reported to the state treasurer.

9 (c) Taxes authorized to be collected shall become a lien
10 against the property on which **THEY ARE** assessed, and due from the
11 owner of that property, on July 1.

12 (d) Taxes shall be collected on or before September 14 and all
13 taxes and interest imposed pursuant to subdivision (f) unpaid
14 before March 1 shall be returned as delinquent on March 1. Taxes
15 delinquent under this subdivision shall be collected pursuant to
16 the general property tax act, 1893 PA 206, MCL 211.1 to
17 ~~211.157~~.**211.155**.

18 (e) Interest shall be added to taxes collected after September
19 14 at ~~that~~**THE** rate imposed by section 59 of the general property
20 tax act, 1893 PA 206, MCL 211.59, on delinquent property tax levies
21 ~~which~~**THAT** became a lien in the same year.

22 (f) All or a portion of fees or charges, or both, authorized
23 under section 44 of the general property tax act, 1893 PA 206, MCL
24 211.44, may be imposed on taxes paid before March 1 and shall be
25 retained by the treasurer actually performing the collection of the
26 July property tax levy of the public authority, regardless of
27 whether all or part of these fees or charges, or both, have been

1 waived by the township or city.

2 (9) An agreement for the collection of a July property tax
3 levy of a public authority with a county treasurer shall include a
4 schedule for delivering collections to the public authority.

5 (10) To the extent applicable and consistent with the
6 requirements of this section, the general property tax act, 1893 PA
7 206, MCL 211.1 to ~~211.157~~, shall apply **211.155, APPLIES** to
8 proceedings ~~in relation~~ **RELATED** to the assessment, spreading, and
9 collection of taxes pursuant to this section. Additionally, in
10 relation to the assessment, spreading, and collection of taxes
11 pursuant to this section, the county treasurer shall have powers
12 and duties similar to those prescribed by the general property tax
13 act, 1893 PA 206, MCL 211.1 to ~~211.157~~, **211.155**, for township
14 supervisors, township clerks, and township treasurers. However,
15 this section shall ~~shall~~ **DOES** not be considered to transfer any authority
16 over the assessment of property.

17 (11) If a county treasurer collects the July property tax levy
18 of the public authority, the township or city shall deliver by June
19 1 a certified copy of the assessment roll containing state
20 equalized valuations for each parcel of taxable property in the
21 township or city to the treasurer collecting the July property tax
22 levy of the public authority. The county treasurer receiving this
23 certified copy of the assessment roll shall remit the necessary
24 cost incident to the reproduction of the assessment roll to the
25 township or city.

26 (12) A county treasurer collecting taxes pursuant to this
27 section shall be bonded for tax collection in the same amount and

1 in the same manner as a township treasurer would be for undertaking
2 the duties prescribed by this section.

3 (13) An agreement for the collection of a July property tax
4 levy between a public authority and a county may cover July
5 collections for 2 years. If an agreement covers July collections
6 for 2 years, the notice required by subsection (7) and the option
7 to reconsider provided by subsection (7) shall not apply ~~for~~**TO**
8 July collections in the second year.

9 (14) If collections are made pursuant to this section by a
10 county treasurer, all payments from a public authority for
11 collecting its July property tax levy and all revenues generated
12 from collection fees shall be deposited, when received or
13 collected, in a fund ~~, which fund shall be~~**THAT IS** used by the
14 county treasurer to pay for the cost of collecting the public
15 authority's July property tax levy.