

SENATE SUBSTITUTE FOR
HOUSE BILL NO. 5132

A bill to amend 1974 PA 338, entitled
"Economic development corporations act,"
by amending section 4 (MCL 125.1604), as amended by 1987 PA 67.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 4. (1) Application, in writing, may be made by a group of
2 3 or more persons to the governing body for permission to
3 incorporate the economic development corporation for the
4 municipality. Application shall include proposed articles of
5 incorporation. The governing body shall give public notice of the
6 application, and after public hearing, with notice of the hearing
7 given in accordance with section 17(1), may approve the
8 application. As a part of the approval, the governing body may make
9 ~~such~~ **ANY** amendments to the proposed articles of incorporation as it

1 considers appropriate.

2 (2) The board of directors of the corporation shall consist of
3 not less than 9 persons, not more than 3 of whom shall be an
4 officer or employee of the municipality. The chief executive
5 officer and any member of the governing body of the municipality
6 may serve on the board of directors. These directors shall be
7 appointed for terms of 6 years, except of the directors first
8 appointed, 4 shall be appointed for 6 years, 1 for 5 years, 1 for 4
9 years, 1 for 3 years, 1 for 2 years, and 1 for 1 year. The
10 corporation shall notify the chief executive officer of the
11 municipality in writing upon the corporation's designation of the
12 project area as provided in section 8(1), and there shall be
13 appointed promptly after that notice 2 additional directors of the
14 corporation who shall serve only in respect to that project and
15 shall be representative of neighborhood residents and business
16 interests likely to be affected by the project proposed by the
17 corporation and who shall cease to serve when the project for which
18 they are appointed is either abandoned or, if undertaken, is
19 completed in accordance with the project plan. Directors shall
20 serve without salary, but may be reimbursed their actual expenses
21 incurred in the performance of their official duties, and may
22 receive a per diem of not more than \$50.00. The meetings of the
23 board of directors shall be public. Directors shall be public
24 officers. **THE RULES OF PROCEDURE OR THE BY-LAWS OF THE CORPORATION**
25 **MAY PERMIT A PERSON TO BE APPOINTED TO THE BOARD IN HIS OR HER**
26 **CAPACITY AS A PUBLIC OFFICIAL, WHETHER APPOINTED OR ELECTED. THE**
27 **RULES OF PROCEDURE OR THE BY-LAWS OF THE CORPORATION MAY ALSO**

1 PROVIDE THAT A MEMBER'S TERM ON THE BOARD SHALL EXPIRE UPON
2 EXPIRATION OF THE MEMBER'S SERVICE AS A PUBLIC OFFICIAL. THE
3 EXPIRATION OF SERVICE AS A PUBLIC OFFICIAL SHALL BE DEFINED TO ALSO
4 INCLUDE THE PUBLIC OFFICIAL'S RESIGNATION OR REMOVAL FROM THE
5 POSITION AS A PUBLIC OFFICIAL.

6 (3) The chief executive officer of a municipality, with the
7 advice and consent of the governing body, or in the case of a
8 county where there is not an elected chief executive officer, the
9 chairperson of the county board of commissioners, with the advice
10 and consent of the county board of commissioners, shall appoint the
11 members of the board of directors.

12 (4) Subsequent directors shall be appointed in the same manner
13 as original appointments at the expiration of each director's term
14 of office.

15 (5) A director whose term of office has expired shall continue
16 to hold office until the director's successor has been appointed
17 with the advice and consent of the governing body. A director may
18 be reappointed with the advice and consent of the governing body to
19 serve additional terms. If a vacancy is created by death or
20 resignation or removal by operation of law, a successor shall be
21 appointed with the advice and consent of the governing body within
22 30 days to hold office for the remainder of the term of the vacated
23 office.

24 (6) A director may be removed from office for cause by a
25 majority vote of the governing body.

26 (7) A director who has a direct interest in any matter before
27 the corporation shall disclose the director's interest before the

1 corporation takes any action with respect to the matter, which
2 disclosure shall become a part of the record of the corporation's
3 official proceedings and the interested director shall further
4 refrain from participation in the corporation's proceedings
5 relating to the matter.

6 (8) By ordinance, the governing body of a municipality that
7 has a population of less than 5,000 may have the municipality's
8 planning commission created pursuant to ~~Act No. 285 of the Public~~
9 ~~Acts of 1931, being sections 125.31 to 125.45 of the Michigan~~
10 ~~Compiled Laws, THE MICHIGAN PLANNING ENABLING ACT, 2008 PA 33, MCL~~
11 **125.3801 TO 125.3885**, serve as the board of directors provided for
12 in this section.