

# SENATE BILL NO. 1222

November 10, 2022, Introduced by Senator SCHMIDT and referred to the Committee on Economic and Small Business Development.

A bill to amend 2008 PA 554, entitled "Regional convention facility authority act," by amending sections 5, 17, and 23 (MCL 141.1355, 141.1367, and 141.1373), section 5 as amended by 2009 PA 63.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 5. As used in this act:

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

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

1 (c) "Convention facility" means all or any part of, or any  
 2 combination of, a convention hall, auditorium, arena, meeting  
 3 rooms, exhibition area, and related adjacent public areas that are  
 4 generally available to the public for lease on a short-term basis  
 5 for holding conventions, meetings, exhibits, and similar events,  
 6 together with real or personal property, and easements above, on,  
 7 or under the surface of real or personal property, used or intended  
 8 to be used for holding conventions, meetings, exhibits, and similar  
 9 events, together with appurtenant property, including ~~covered~~  
 10 walkways, **bicycle paths, plazas, green space**, parking lots ~~—~~or  
 11 structures, **and roads** necessary ~~and—~~or convenient for use in  
 12 connection with the convention facility. Convention facility  
 13 includes an attached arena with a seating capacity not exceeding  
 14 13,000. Convention facility does not include any arena with a  
 15 seating capacity exceeding 13,000.

16 (d) "Develop" means to plan, acquire, construct, improve,  
 17 enlarge, maintain, renew, renovate, repair, replace, lease, equip,  
 18 **or** furnish. ~~—market, promote, manage, or operate.~~

19 (e) "Fiscal year" means an annual period that begins on  
 20 October 1 and ends on September 30 or the fiscal year for an  
 21 authority established by the board of the authority.

22 (f) "Legislative body" means the elected body of a local  
 23 government possessing the legislative power of the local  
 24 government.

25 (g) "Local chief executive officer" means the mayor or city  
 26 manager of a city or the county executive of a county or, if a  
 27 county does not have a county executive, the chairperson of the  
 28 county board of commissioners.

29 (h) "Local government" means a county or city. For purposes of

1 sections 17(1)(t) and 19, other than section 19(1)(f), local  
 2 government includes a building authority or downtown development  
 3 authority created by a county or city under ~~1975 PA 197, MCL~~  
 4 ~~125.1651 to 125.1681.~~ **part 2 of the recodified tax increment**  
 5 **financing act, 2018 PA 57, MCL 125.4201 to 125.4230.**

6 (i) "Public-private arrangement" means an agreement between an  
 7 authority and a private entity that relates to researching,  
 8 planning, studying, designing, developing, financing, acquiring,  
 9 constructing, renovating, operating, maintaining, or charging rent  
 10 or other fees for a convention facility.

11 (j) ~~(i)~~ "Qualified city" means a city with a population of  
 12 more than ~~700,000~~ **550,000** according to the most recent decennial  
 13 census that contains a qualified convention facility.

14 (k) ~~(j)~~ "Qualified county" means a county that contains a  
 15 qualified city.

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

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

23 (n) ~~(m)~~ "Transfer date" means the earlier of the following:

24 (i) The date 90 days after the creation of an authority under  
 25 section 7 on which the right, title, interest, ownership, and  
 26 control of a qualified convention facility are conveyed and  
 27 transferred from a qualified city to an authority, only if the  
 28 transfer is not disapproved as provided under section 19(1).

29 (ii) The effective date of a lease agreement providing for the

1 lease of a qualified convention facility to an authority created  
2 under section 7 as provided under section 19(1). In the event that  
3 the qualified convention facility is transferred to the authority  
4 by way of a lease, references in this act to transfer of title or  
5 conveyance of title ~~shall~~**must** be interpreted to mean the  
6 effectuation of the transfer or conveyance by way of a lease and  
7 not in fee.

8       Sec. 17. (1) Except as otherwise provided in this act, an  
9 authority may do all things necessary or convenient to implement  
10 the purposes, objectives, and provisions of this act and the  
11 purposes, objectives, and jurisdictions vested in the authority or  
12 the board by this act or other law, including, but not limited to,  
13 all of the following:

14       (a) Adopt and use a corporate seal.

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

17       (c) Sue and be sued in its own name and plead and be  
18 impleaded.

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

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

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

1 (g) Solicit, receive, and accept gifts, grants, labor, loans,  
2 contributions of money, property, or other things of value, and  
3 other aid or payment from any federal, state, local, or  
4 intergovernmental government agency or from any other person or  
5 entity, public or private, upon terms and conditions acceptable to  
6 the authority, or participate in any other way in a federal, state,  
7 local, or intergovernmental government program.

8 (h) ~~Make application~~ **Apply** for and receive loans, grants,  
9 guarantees, or other financial assistance in aid of a convention  
10 facility from any state, federal, local, or intergovernmental  
11 government or agency or from any other source, public or private,  
12 including, but not limited to, financial assistance for purposes of  
13 developing, planning, constructing, improving, and operating a  
14 convention facility.

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

18 (j) Indemnify and procure insurance indemnifying board members  
19 from personal loss or accountability for liability asserted by a  
20 person with regard to bonds or other obligations of the authority,  
21 or from any personal liability or accountability by reason of the  
22 issuance of the bonds or other obligations or by reason of any  
23 other action taken or the failure to act by the authority.

24 (k) Invest money of the authority, at the discretion of the  
25 board, in instruments, obligations, securities, or property  
26 determined proper by the board and name and use depositories for  
27 authority money. Investments ~~shall~~ **must** be made consistent with an  
28 investment policy adopted by the board that complies with this act  
29 and 1943 PA 20, MCL 129.91 to ~~129.96~~ **129.97a**.

1           (l) Contract for goods and services as necessary and as  
2 provided under this act. An authority may contract with a  
3 management firm, either corporate or otherwise, to operate a  
4 qualified convention facility, under the supervision of the  
5 authority.

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

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

13           (o) Establish and maintain an office.

14           (p) Acquire by gift, devise, transfer, exchange, purchase,  
15 lease, or otherwise on terms and conditions and in a manner the  
16 authority considers proper property or rights or interests in  
17 property. Property or rights or interests in property acquired by  
18 an authority may be by purchase contract, lease purchase,  
19 agreement, installment sales contract, land contract, or otherwise.  
20 The acquisition of any property by an authority for a convention  
21 facility in furtherance of the purposes of the authority is for a  
22 public use, and the exercise of any other powers granted to the  
23 authority is declared to be public, governmental, and municipal  
24 functions, purposes, and uses exercised for a public purpose and  
25 matters of public necessity.

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

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

7 (s) Develop a convention facility.

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

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

13 (v) Receive financial or other assistance from a person  
14 licensed under section 6 of the Michigan ~~gaming control~~ **Gaming**  
15 **Control** and ~~revenue act,~~ **Revenue Act**, 1996 IL 1, MCL 432.206.

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

20 (x) Adopt reasonable rules and regulations for the orderly,  
21 safe, efficient, and sanitary operation and use of a convention  
22 facility owned by the authority or under its operational  
23 jurisdiction.

24 **(y) Enter into a public-private arrangement.**

25 **(z)** ~~(y)~~ Do all other acts and things necessary or convenient  
26 to exercise the powers, duties, and jurisdictions of the authority  
27 under this act or other laws that related to the purposes, powers,  
28 duties, and jurisdictions of the authority.

29 (2) Notwithstanding any other provision of law to the

1 contrary, an authority ~~shall~~**does** not have the power to impose or  
2 levy a tax.

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

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

11 (b) Federal, state, or local government grants, loans,  
12 appropriations, payments, or contributions.

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

15 (d) Grants, loans, appropriations, payments, proceeds from  
16 repayments of loans made by the authority, or contributions from  
17 public or private sources.

18 (e) Distributions from the convention facility development  
19 fund of the state pursuant to the state convention facility  
20 development act, 1985 PA 106, MCL 207.621 to 207.640.

21 (f) Investment earnings on the revenues described in  
22 subdivisions (a) to (e).

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

26 (3) Notwithstanding any other provision of law to the  
27 contrary, an authority ~~shall~~**does** not have the power to impose or  
28 levy a tax.

29 (4) The board by resolution may establish a regional



1 convention facility operating trust fund for the purpose of  
2 accumulating funds to pay for the cost of operating and maintaining  
3 a qualified convention facility. Money for operating and  
4 maintaining a qualified convention facility, at the authority's  
5 discretion, may be provided from this fund or any other money of  
6 the authority. The resolution establishing the fund ~~shall~~**must**  
7 include all of the following:

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

10 (b) A restriction of withdrawals from the fund solely for the  
11 payment of reasonable operating and maintenance expenses of a  
12 convention facility and the payment of the expenses of  
13 administration of the fund.

14 (5) An investment fiduciary shall invest the assets of the  
15 fund in accordance with an investment policy adopted by the board  
16 that complies with section 13 of the public employee retirement  
17 system investment act, 1965 PA 314, MCL 38.1133. However, the  
18 investment fiduciary shall discharge ~~his or her~~**the investment**  
19 **fiduciary's** duties solely in the interest of the authority. The  
20 authority may invest the fund's assets in the investment  
21 instruments and subject to the investment limitations governing the  
22 investment of assets of public employee retirement systems under  
23 the public employee retirement system investment act, 1965 PA 314,  
24 MCL 38.1132 to ~~38.1140m~~**38.1141**.

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

1           (6) ~~(7)~~—A financial obligation of an authority is a financial  
2 obligation of the authority only and not a financial obligation of  
3 this state, a qualified city, a qualified county, or a county  
4 bordering a qualified county. A financial obligation of the  
5 authority shall not be transferred to this state, a qualified city,  
6 a qualified county, or a county bordering a qualified county.