

SUBSTITUTE FOR
HOUSE BILL NO. 5174

A bill to amend 1986 PA 196, entitled
"Public transportation authority act,"
by amending the title and section 8 (MCL 124.458), section 8 as
amended by 1990 PA 10.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 TITLE

2 An act to authorize the formation of public transportation
3 authorities with certain general powers and duties; to provide
4 for the withdrawal of certain local entities from public trans-
5 portation authorities; to authorize certain local entities to
6 levy property taxes for public transportation service and public
7 transportation purposes; to protect the rights of employees of
8 existing public transportation systems; to provide for the
9 issuance of bonds and notes; to provide for the pledge of taxes,
10 revenues, assessments, tax levies, and other funds for bond or

1 note payment; to provide for the powers and duties of certain
2 state agencies; to validate taxes authorized before ~~the effec-~~
3 ~~tive date of this act~~ JULY 10, 1986, elections held before ~~the~~
4 ~~effective date of this act~~ JULY 10, 1986, and bonds and notes
5 issued before ~~the effective date of this act~~ JULY 10, 1986; to
6 provide for transfer of certain tax revenue and certain powers,
7 rights, duties, and obligations; to authorize condemnation pro-
8 ceedings; to grant certain powers to certain local entities;
9 ~~and~~ to validate and ratify the organization, existence, and
10 membership of public transportation authorities created before
11 ~~the effective date of this act~~ JULY 10, 1986 and the actions
12 taken by those public transportation authorities and by the mem-
13 bers of those public transportation authorities; AND TO PRESCRIBE
14 PENALTIES AND PROVIDE REMEDIES.

15 Sec. 8. (1) Except as otherwise provided in subsection (2),
16 a political subdivision that is a member of a public authority or
17 the portion of a city, village, or township, which portion is a
18 member of a public authority may be released from membership in
19 the public authority if all of the following conditions are met:

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

23 (b) Acceptance of the request by a 2/3 vote of the members
24 serving on the board of the public authority, excluding the mem-
25 bers representing the political subdivision requesting release.

1 (c) Payment or the provision for payment is made regarding
2 all obligations of the political subdivision to the public
3 authority or its creditors.

4 (2) Notwithstanding subsection (1), an entity ~~which~~ THAT
5 is a political subdivision ~~that~~ AND is a member of a public
6 authority or the portion of a city, village, or township, which
7 portion is a member of a public authority, may be released from
8 membership in the public authority if all of the following condi-
9 tions are met:

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

15 (b) ~~A~~ SUBJECT TO SUBSECTION (6), A petition that bears the
16 signatures of REGISTERED ELECTORS OF THE ENTITY EQUAL TO at least
17 20% of the number of votes cast in the political subdivision or
18 portion of a city, village, or township for all candidates for
19 governor in the last general election in which a governor was
20 elected and that requires the governing body of the entity by
21 resolution to submit the question to its electors at the next
22 general or special election is filed not less than 60 days before
23 the election with the clerk of the entity presenting the
24 question.

25 (c) The vote upon the question approving the resolution is
26 by ballot and is in substantially the following form:

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1 "Shall _____ (township, village, city, or other) as
2 provided by ~~Act No. 196 of the Public Acts of 1986~~ 1986 PA 196
3 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 with-
9 drawal pursuant to the Michigan election law, ~~Act No. 116 of the~~
10 ~~Public Acts of 1954, being sections 168.1 to 168.992 of the~~
11 ~~Michigan Compiled Laws~~ 1954 PA 116, MCL 168.1 TO 168.992.

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

19 (3) A tax authorized to be levied by a public authority
20 within the boundaries of the political subdivision or the portion
21 of a political subdivision to be released shall continue to be
22 levied for the period of time originally authorized and shall be
23 paid over to the public authority originally authorized to be the
24 recipient of the tax revenue. A political subdivision or portion
25 of a political subdivision that has been released from an author-
26 ity shall continue to receive transportation services from the
27 authority until the political subdivision or portion of the

1 political subdivision is no longer required to pay a tax levied
2 by the authority.

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

8 (5) A political subdivision or other entity that is part of
9 a public authority under this act may withdraw from the public
10 authority until the expiration of the thirtieth day following the
11 date the public authority is incorporated without meeting the
12 conditions listed in subsection (1) or (2). If a public author-
13 ity under this act has as a member a political subdivision that
14 is part of a metropolitan statistical area, as defined by the
15 United States department of commerce or a successor agency, and
16 the metropolitan statistical area has a population of not less
17 than 600,000 and not more than 1,500,000, a political subdivision
18 or other entity that is part of the public authority may also
19 withdraw from the public authority until the expiration of 30
20 days after the date on which the board of the public authority
21 adopts a resolution calling for an election for the purpose of
22 levying a tax pursuant to section 18, without meeting the condi-
23 tions listed in subsection (1) or (2). If all or a portion of a
24 city, village, or township is part of an authority incorporating
25 as a public authority under this act, the city, village, or town-
26 ship may also decide to only withdraw a portion of the entity
27 bounded by the lines described in section 4 from the public

1 authority under the deadline established in this subsection. In
2 addition, a political subdivision or other entity that is part of
3 a public authority under this act may withdraw from the public
4 authority in any year in which a tax authorized to be levied
5 under this act expires, without meeting the conditions listed in
6 subsection (1) or (2), if the political subdivision or entity
7 makes the determination to withdraw by a vote of its legislative
8 body held in January of that year. Further, if all or a portion
9 of a city, village, or township is part of an authority incor-
10 porating as a public authority under this act, the city, village,
11 or township may also decide to only withdraw a portion of the
12 entity bounded by the lines described in section 4 from the
13 public authority in that same January. However, if a tax is
14 authorized to be levied in a political subdivision or portion of
15 a political subdivision by a public authority under this act and
16 the political subdivision or portion of a political subdivision
17 withdraws pursuant to this subsection, the tax shall continue to
18 be levied in the political subdivision or portion of a political
19 subdivision for the period of time originally authorized. A
20 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 CIRCULA-
26 TION AND SIGNING OF THE PETITION, IS SUBJECT TO SECTION 488 OF
27 THE MICHIGAN ELECTION LAW, 1954 PA 116, MCL 168.488. A PERSON

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1 WHO VIOLATES A PROVISION OF THE MICHIGAN ELECTION LAW, 1954 PA
2 116, MCL 168.1 TO 168.992, APPLICABLE TO A PETITION DESCRIBED IN
3 SUBSECTION (2) IS SUBJECT TO THE PENALTIES PRESCRIBED FOR THAT
4 VIOLATION IN THE MICHIGAN ELECTION LAW, 1954 PA 116, MCL 168.1 TO
5 168.992.

6 Enacting section 1. This amendatory act does not take
7 effect unless House Bill No. 5138 of the 89th Legislature is
8 enacted into law.