

# HOUSE BILL No. 6021

April 27, 2006, Introduced by Reps. Kooiman, Hildenbrand, Steil, Pearce, Green, Sak, Van Regenmorter, LaJoy and Anderson and referred to the Committee on Transportation.

A bill to amend 1986 PA 196, entitled "Public transportation authority act," by amending sections 8 and 18 (MCL 124.458 and 124.468), section 8 as amended by 1998 PA 168.

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

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

6           (a) Adoption of a resolution by a majority of the members  
7 elected to and serving on the legislative body of the political  
8 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), 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 is a member  
10 of a public authority, may be released from membership in the  
11 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 before  
25 the election with the clerk of the entity presenting the question.

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

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

3 Yes \_\_\_\_\_

4 No \_\_\_\_\_".

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

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

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

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

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

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

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

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

4 (7) AN AUTHORITY THAT FORMS UNDER THIS ACT ON OR AFTER MAY 1,  
5 2006 SHALL NOTIFY ALL POLITICAL SUBDIVISIONS OR PORTIONS OF ANY  
6 CITY, VILLAGE, OR TOWNSHIP THAT ARE INCLUDED IN THE AUTHORITY THAT  
7 THE POLITICAL SUBDIVISION OR PORTION OF THE POLITICAL SUBDIVISION  
8 IS INCLUDED IN THE AUTHORITY. THE AUTHORITY SHALL INCLUDE IN THIS  
9 NOTIFICATION NOTICE OF THE RIGHT TO WITHDRAW FROM THE AUTHORITY  
10 UNDER THIS SECTION. THE POLITICAL SUBDIVISION OR PORTION OF THE  
11 POLITICAL SUBDIVISION THAT IS NOTIFIED HAS 30 DAYS AFTER RECEIVING  
12 THE NOTIFICATION TO WITHDRAW FROM THE AUTHORITY PURSUANT TO  
13 SUBSECTION (5).

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

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

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

1 a copy of the resolution of the board calling the election with the  
2 clerk of each affected county, city, or township not less than 60  
3 days before the date of the election. The resolution calling the  
4 election shall contain a statement of the proposition to be  
5 submitted to the electors. Each county, city, and township clerk  
6 and all other county, city, and township officials shall undertake  
7 those steps to properly submit the proposition to the electors of  
8 the county, city, and township at the election specified in the  
9 resolutions of the public authority. The election shall be  
10 conducted and canvassed in accordance with the Michigan election  
11 law, ~~Act No. 116 of the Public Acts of 1954, being sections 168.1~~  
12 ~~to 168.992 of the Michigan Compiled Laws~~ **1954 PA 116, MCL 168.1 TO**  
13 **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) ~~The~~ **EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION, THE**  
23 taxes authorized by this section may be levied at a rate and for a  
24 period of not more than 5 years as determined by the public  
25 authority in the resolution calling the election and as ~~shall be~~  
26 set forth in the proposition submitted to the electors. **TAXES MAY**  
27 **BE LEVIED AT A RATE AND FOR A PERIOD OF NOT MORE THAN 25 YEARS AS**

1 DETERMINED BY THE PUBLIC AUTHORITY IN THE RESOLUTION CALLING THE  
2 ELECTION AND AS SET FORTH IN THE PROPOSITION SUBMITTED TO THE  
3 ELECTORS IF THE PUBLIC AUTHORITY SEEKING THE LEVY IS SEEKING THE  
4 LEVY FOR PUBLIC TRANSIT SERVICES THAT INCLUDE A FIXED GUIDEWAY  
5 PROJECT AUTHORIZED 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 ~~the provisions of~~  
13 subsection (6), the board of the public authority shall determine  
14 on which tax roll, if there be more than 1, of each county, city,  
15 or township that the taxes authorized by this section shall be  
16 collected. Each tax assessing and collecting officer and each  
17 county treasurer shall levy and collect the taxes certified by the  
18 public authority and pay those taxes to the public authority by the  
19 time provided in section 43 of the general property tax act, ~~Act~~  
20 ~~No. 206 of the Public Acts of 1893, being section 211.43 of the~~  
21 ~~Michigan Compiled Laws— 1893 PA 206, MCL 211.43.~~ The tax rate  
22 authorized by this section may be first levied by the public  
23 authority as a part of the first tax roll of the appropriate  
24 counties, cities, and townships occurring after the election  
25 described in subsection (3). The tax may be levied and collected on  
26 the July or December tax roll next following the date of election,  
27 if the tax is certified to the proper tax assessing officials not



1 later than May 15 or September 15, respectively, of the year in  
2 which the election is held.

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

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

1 tax levy.

2 (8) Collection of all or part of a public authority's property  
3 tax levy by a treasurer pursuant to subsection (6) or (7) shall  
4 comply with all of the following:

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

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

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

14 (d) Taxes shall be collected on or before September 14 and all  
15 taxes and interest imposed pursuant to subdivision (f) unpaid  
16 before March 1 shall be returned as delinquent on March 1. Taxes  
17 delinquent under this subdivision shall be collected pursuant to  
18 ~~Act No. 206 of the Public Acts of 1893~~ **THE GENERAL PROPERTY TAX**  
19 **ACT, 1893 PA 206, MCL 211.1 TO 211.157.**

20 (e) Interest shall be added to taxes collected after September  
21 14 at that rate imposed by section 59 of ~~Act No. 206 of the Public~~  
22 ~~Acts of 1893, being section 211.59 of the Michigan Compiled Laws~~  
23 **THE GENERAL PROPERTY TAX ACT, 1893 PA 206, MCL 211.59**, on  
24 delinquent property tax levies which became a lien in the same  
25 year.

26 (f) All or a portion of fees or charges, or both, authorized  
27 under section 44 of ~~Act No. 206 of the Public Acts of 1893, being~~

1 ~~section 211.44 of the Michigan Compiled Laws~~ **THE GENERAL PROPERTY**  
2 **TAX ACT, 1893 PA 206, MCL 211.44**, may be imposed on taxes paid  
3 before March 1 and shall be retained by the treasurer actually  
4 performing the collection of the July property tax levy of the  
5 public authority, regardless of whether all or part of these fees  
6 or charges, or both, have been waived by the township or city.

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

10 (10) To the extent applicable and consistent with the  
11 requirements of this section, the ~~provisions of Act No. 206 of the~~  
12 ~~Public Acts of 1893~~ **GENERAL PROPERTY TAX ACT, 1893 PA 206, MCL**  
13 **211.1 TO 211.157**, shall apply to proceedings in relation to the  
14 assessment, spreading, and collection of taxes pursuant to this  
15 section. Additionally, in relation to the assessment, spreading,  
16 and collection of taxes pursuant to this section, the county  
17 treasurer shall have powers and duties similar to those prescribed  
18 by ~~Act No. 206 of the Public Acts of 1893~~ **THE GENERAL PROPERTY**  
19 **TAX ACT, 1893 PA 206, MCL 211.1 TO 211.157**, for township  
20 supervisors, township clerks, and township treasurers. However,  
21 this section shall not be considered to transfer any authority over  
22 the assessment of property.

23 (11) If a county treasurer collects the July property tax levy  
24 of the public authority, the township or city shall deliver by June  
25 1 a certified copy of the assessment roll containing state  
26 equalized valuations for each parcel of taxable property in the  
27 township or city to the treasurer collecting the July property tax

1 levy of the public authority. The county treasurer receiving this  
2 certified copy of the assessment roll shall remit the necessary  
3 cost incident to the reproduction of the assessment roll to the  
4 township or city.

5 (12) A county treasurer collecting taxes pursuant to this  
6 section shall be bonded for tax collection in the same amount and  
7 in the same manner as a township treasurer would be for undertaking  
8 the duties prescribed by this section.

9 (13) An agreement for the collection of a July property tax  
10 levy between a public authority and a county may cover July  
11 collections for 2 years. If an agreement covers July collections  
12 for 2 years, the notice required by subsection (7) and the option  
13 to reconsider provided by subsection (7) shall not apply for July  
14 collections in the second year.

15 (14) If collections are made pursuant to this section by a  
16 county treasurer, all payments from a public authority for  
17 collecting its July property tax levy and all revenues generated  
18 from collection fees shall be deposited, when received or  
19 collected, in a fund, which fund shall be used by the county  
20 treasurer to pay for the cost of collecting the public authority's  
21 July property tax levy.