SUBSTITUTE FOR HOUSE BILL NO. 5690

A bill to create and provide for the incorporation of certain regional convention facility authorities; to provide for the membership of the authorities; to provide for the powers and duties of the authorities; to provide for the conveyance of ownership of and operational jurisdiction over certain convention facilities to authorities and to provide for the transfer of certain real and personal property utilized as convention facilities to authorities; to provide for the assumption of certain contracts, bonds, notes, and other evidences of indebtedness and liabilities related to convention facilities by authorities; to authorize the creation of certain funds; to authorize expenditures from certain funds; to finance the acquisition of land and the development of certain convention facilities and of public improvements or related

facilities; to provide for the issuance of bonds and notes; to authorize certain investments; to provide for the transfer of public employees to the employment of authorities; to provide for the allocation of liabilities related to employee benefits; to protect certain rights of local government employees; and to impose certain powers and duties upon state and local departments, agencies, and officers.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

Sec. 1. This act shall be known and may be cited as the
 "regional convention facility authority act".

3 Sec. 3. The legislature finds and declares all of the4 following:

5 (a) That there exists in this state a continuing need to strengthen and revitalize the economy of this state and of local 6 units of government in this state and that it is in best interests 7 of this state and local units of government in this state to 8 promote tourism and convention business in order to assist in the 9 10 prevention of unemployment and the alleviation of the conditions of 11 unemployment, to preserve existing jobs, to facilitate economic 12 development, and to create new jobs to meet employment demands.

(b) That it is necessary for the promotion of general welfare and a valid public purpose to assist and encourage the acquisition, construction, improvement, enlargement, renewal, replacement, repairing, financing, furnishing, and equipping of regional convention facilities and the real property on which they are located, to refinance these activities, and to enter into contracts and procure services necessary and appropriate for the development

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and ongoing management and operation of regional convention
 facilities in an efficient and effective manner.

3 (c) That a regional convention facility authority created
4 under this act and the powers conferred by this act constitute a
5 necessary program and serve a necessary public purpose.

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Sec. 5. As used in this act:

7 (a) "Authority" means a regional convention facility authority8 created under section 7.

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

(c) "Convention facility" means all or any part of, or any 10 11 combination of, a convention hall, auditorium, arena, meeting 12 rooms, exhibition area, and related adjacent public areas that are 13 generally available to the public for lease on a short-term basis 14 for holding conventions, meetings, exhibits, entertainment, and 15 similar events, together with real or personal property, and 16 easements above, on, or under the surface of real or personal 17 property, used or intended to be used for holding conventions, 18 meetings, exhibits, entertainment, and similar events, together 19 with appurtenant property, including covered walkways, parking 20 lots, or structures, necessary and convenient for use in connection 21 with the convention facility. Convention facility includes any 22 contiguous arena used for sporting events.

23 (d) "Develop" means to plan, acquire, construct, improve,
24 enlarge, maintain, renew, renovate, repair, replace, lease, equip,
25 furnish, market, promote, manage, or operate.

(e) "Fiscal year" means an annual period that begins on July 1and ends on June 30 or the fiscal year for an authority established

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1 by the board of the authority.

2 (f) "Legislative body" means the elected body of a local
3 government possessing the legislative power of the local
4 government.

5 (g) "Local chief executive officer" means the mayor or city
6 manager of a city or the county executive of a county or, if a
7 county does not have a county executive, the chairperson of the
8 county board of commissioners.

9 (h) "Local government" means a county or city.

10 (i) "Qualified city" means a city with a population of more 11 than 750,000 according to the most recent decennial census that 12 contains a qualified convention facility.

13 (j) "Qualified county" means a county that contains a14 qualified city.

(k) "Qualified convention facility" means a publicly owned convention facility that includes at least 600,000 square feet of usable exhibition area and that is contiguous to an arena.

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

(m) "Transfer date" means the date 90 days after the creation of an authority under section 7 on which the right, title, interest, ownership, and control of a qualified convention facility are conveyed and transferred from a qualified city to an authority.

Sec. 7. (1) For an area of this state that is a qualified
metropolitan area on the effective date of this act, an authority

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1 is created for the qualified metropolitan area on the effective date of this act. For an area of this state that becomes a 2 qualified metropolitan area after the effective date of this act, 3 4 an authority is created for the qualified metropolitan area on the 5 date the area became a qualified metropolitan area. An authority 6 created under this section shall be a public body corporate and politic and a metropolitan authority authorized by section 27 of 7 article VII of the state constitution of 1963 and shall possess the 8 9 powers, duties, and jurisdictions vested in the authority under 10 this act and other laws. The name of an authority created under 11 this section shall include the name of the qualified city located 12 within the qualified metropolitan area and the phrase "regional 13 convention facility authority".

(2) Before the transfer date, an authority may organize and 14 exercise all powers, duties, and jurisdictions granted under this 15 act, except the powers, duties, and jurisdictions related to the 16 17 management, operation, and development of a qualified convention facility. On the transfer date, an authority is vested with the 18 19 additional powers, duties, and jurisdictions under this act related 20 to the management, operation, and development of a qualified 21 convention facility.

(3) It is the intent of the legislature that the transfer of a qualified convention facility from a qualified city to an authority under this act and any payment required under section 19(9) represents at least a fair exchange of value for value for the qualified city considering, without limitation, all of the following:

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(a) The net value of the qualified convention facility prior
 to the transfer date after deducting deferred maintenance
 obligations, operational deficits, repair or expansion needs, and
 other liabilities related to the qualified convention facility that
 are obligations of the qualified city.

6 (b) The benefits to the qualified city resulting from the transfer of the qualified convention facility to the authority, 7 including, but not limited to, assumption or payment of debt 8 obligations of the qualified city by the authority, reductions in 9 costs, liabilities or other obligations of the qualified city, 10 11 additional revenues or other money not otherwise available for the qualified convention facility, and the positive economic impact to 12 13 the qualified city likely to be generated by the operation of the 14 qualified convention facility by the authority or any expansion or improvement of the qualified convention facility by the authority, 15 especially economic impact resulting in the creation or retention 16 17 of jobs and capital investment.

(c) Any bond proceeds, debt service payments, or other money payable directly or indirectly to the qualified city after the transfer date under this act, the state convention facility development act, 1985 PA 106, MCL 207.621 to 207.640, or the health and safety fund act, 1987 PA 264, MCL 141.471 to 141.479.

(4) The property of an authority created under this act is
public property devoted to an essential public and governmental
purpose. Income of the authority is for a public and governmental
purpose.

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(5) Except as otherwise provided in this subsection, the

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House Bill No. 5690 (H-2) as amended November 13, 2008 property of the authority created under this act and its income, 1 activities, and operations are exempt from all taxes and special 2 assessments of this state or a political subdivision of this state. 3 Property of an authority and its income, activities, and operations 4 5 that are leased to private persons are not exempt from any tax or special assessment of this state or a political subdivision of this 6 7 state. Property of an authority is exempt from any ad valorem 8 property taxes levied under the general property tax act, 1893 PA 206, MCL 211.1 to 211.155, or other law of this state authorizing 9 the taxation of real or personal property. An authority is an 10 11 entity of government for purposes of section 4a(1)(a) of the general sales tax act, 1933 PA 167, MCL 205.54a, and section 4h of 12 13 the use tax act, 1937 PA 94, MCL 205.94h.

14 (6) The validity of the creation of an authority shall be 15 conclusively presumed unless questioned in an original action filed 16 in the court of appeals within 60 days after the creation of the 17 authority under this section. The court of appeals has original 18 jurisdiction to hear an action under this subsection. The court 19 shall hear the action in an expedited manner. This state shall be a 10 necessary party in any action under this subsection.

Sec. 9. (1) An authority created under this act shall be directed and governed by a board of directors consisting of [7 members[.

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House Bill No. 5690 (H-2) as amended November 13, 2008] (2) Board members appointed under this section shall possess business, financial, or professional experience relevant to the operation of a corporation or a convention facility. No board member shall be an employee or officer of any local government or of this state. For purposes of this subsection, "local government" includes any county, township, city, village, or intergovernmental entity in this state.

(3) Except as otherwise provided in this subsection, board

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members shall be appointed for a term of 6 years. Initial 1 2 appointments under subsection (1) shall be made within 30 days of the creation of the authority. Of the board members initially 3 4 appointed under subsection (1), the members appointed under 5 subsection (1)(a) and (c) shall be appointed for a term expiring on 6 the second August 31 following the creation of the authority, the members appointed under subsection (1)(b) and (d) shall be 7 appointed for a term expiring on the third August 31 following the 8 9 creation of the authority, the member appointed under subsection 10 (1) (e) shall be appointed for a term expiring on the fourth August 11 31 following the creation of the authority, the member appointed 12 under subsection (1)(f) shall be appointed for a term expiring on 13 the fifth August 31 following the creation of the authority, and 14 the member appointed under subsection (1)(g) shall be appointed for 15 a term expiring on the sixth August 31 following the creation of the authority. If a vacancy occurs on the board other than by 16 17 expiration of a term, the vacancy shall be filled in the same 18 manner as the original appointment for the remainder of the term. 19 Board members may continue to serve until a successor is appointed 20 and qualified.

(4) Each officer appointing a board member under this section
shall file the appointment with the secretary of state.
Notwithstanding any law or local charter provision to the contrary,
appointments by an officer are not subject to approval or rejection
by a legislative body.

26 (5) Upon appointment to a board under this section, and upon27 taking and filing of the oath of office required by section 1 of

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article XI of the state constitution of 1963, a board member shall
 enter office and exercise the duties of the office of board member.

3 (6) Board members shall serve without compensation but may be
4 reimbursed for actual and necessary expenses incurred while
5 attending board meetings or performing other authorized official
6 business of the authority.

7 Sec. 11. (1) Within not more than 30 days following appointment of a majority of the members of a board, the board 8 9 shall hold its first meeting at a date and time determined by the individual appointed under section 9(1)(a). The board members shall 10 11 elect from among the board members an individual to serve as 12 chairperson of the board and may elect other officers as the board 13 considers necessary. All officers shall be elected annually by the board. 14

(2) The business of the board shall be conducted at a public 15 meeting of the board held in compliance with the open meetings act, 16 17 1976 PA 267, MCL 15.261 to 15.275. Public notice of the time, date, and place of the meeting shall be given in the manner required by 18 19 the open meetings act, 1976 PA 267, MCL 15.261 to 15.275. A board 20 shall adopt bylaws consistent with the open meetings act, 1976 PA 21 267, MCL 15.261 to 15.275, governing its procedures and the holding 22 of meetings. After organization, a board shall adopt a schedule of 23 regular meetings and adopt a regular meeting date, place, and time. 24 A special meeting of the board may be called by the chairperson of 25 the board or as provided in bylaws adopted by the board. Notice of 26 a special meeting shall be given in the manner required by the open meetings act, 1976 PA 267, MCL 15.261 to 15.275. 27

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(3) A board shall keep a written or printed record of each
 meeting, which record and any other document or record prepared,
 owned, used, in the possession of, or retained by the authority in
 the performance of an official function shall be made available to
 the public in compliance with the freedom of information act, 1976
 PA 442, MCL 15.231 to 15.246.

7 (4) A board shall provide for a system of accounts for the authority to conform to a uniform system required by law and for 8 9 the auditing of the accounts of an authority. The board shall obtain an annual audit of the authority by an independent certified 10 11 public accountant and report on the audit and auditing procedures 12 in the manner provided by sections 6 to 13 of the uniform budgeting and accounting act, 1968 PA 2, MCL 141.426 to 141.433. The audit 13 14 also shall be in accordance with generally accepted government auditing standards. 15

(5) Before the beginning of each fiscal year, a board shall 16 17 cause to be prepared a budget for the authority containing an 18 itemized statement of the estimated current operational expenses 19 and the expenses for capital outlay including funds for the 20 operation and development of convention facilities under the 21 jurisdiction of the board, including the amount necessary to pay 22 the principal and interest of any outstanding bonds or other 23 obligations of the authority maturing during the next fiscal year 24 or that have previously matured and are unpaid, and an estimate of the estimated revenue of the authority from all sources for the 25 26 next fiscal year. The board shall adopt a budget as for the fiscal 27 year in accordance with the uniform budget and accounting act, 1968

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1 PA 2, MCL 141.421 to 141.440a.

2 (6) A board shall provide for the purchase of, the contracting for, and the providing of supplies, materials, services, insurance, 3 4 utilities, third-party financing, equipment, printing, and all 5 other items as needed by the authority to efficiently and 6 effectively meet the needs of the authority. The authority shall make all discretionary decisions concerning the solicitation, 7 award, amendment, cancellation, and appeal of authority contracts. 8 9 A board shall provide for the acquisition of professional services, 10 including, but not limited to, architectural services, engineering 11 services, surveying services, accounting services, and legal 12 services, in accordance with a competitive, qualifications-based 13 selection process and procedure for the type of professional 14 service required by the authority. An authority may enter into a 15 cooperative purchasing agreement with the federal government, this 16 state, or more other public entities for the purchase of goods or 17 services necessary for the authority. An authority may enter into 18 lease purchases or installment purchases for periods not exceeding 19 the anticipated useful life of the items purchased unless otherwise 20 prohibited by law. In all purchases made by the authority, all 21 other things being equal, preference shall be given first to 22 products manufactured or services offered by firms based in the 23 authority's qualified city and next to firms based in the qualified 24 metropolitan area, if consistent with federal law. Except as 25 otherwise provided in this section, the authority shall utilize 26 competitive solicitation for all purchases authorized under this 27 act unless 1 or more of the following apply:

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(a) Procurement of goods or services is necessary for the
 imminent protection of public health or safety or to mitigate an
 imminent threat to public health or safety, as determined by the
 authority or its chief executive officer.

5 (b) Procurement of goods or services is for emergency repair
6 or construction caused by unforeseen circumstances when the repair
7 or construction is necessary to protect life or property.

8 (c) Procurement of goods or services is in response to a
9 declared state of emergency or state of disaster under the
10 emergency management act, 1976 PA 390, MCL 30.401 to 30.421.

(d) Procurement of goods or services is in response to a
 declared state of emergency under 1945 PA 302, MCL 10.31 to 10.33.

(e) Procurement of goods or services is in response to a
declared state of energy emergency under 1982 PA 191, MCL 10.81 to
10.89.

(f) Procurement of goods or services is under a cooperative purchasing agreement with the federal government, this state, or more public entities for the purchase of goods and services necessary at fair and reasonable prices using a competitive procurement method for authority operations.

(g) The value of the procurement is less than \$25,000.00, and the board has established policies or procedures to ensure that goods or services with a value of less than \$25,000.00 are purchased by the board at fair and reasonable prices.

25 (7) A board may not enter into any cost plus construction26 contract unless all of the following apply:

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(a) The contract cost is less than \$50,000.00.

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(b) The contract is for emergency repair or construction
 caused by unforeseen circumstances.

3 (c) The repair or construction is necessary to protect life or4 property.

5 (d) The contract complies with requirements of applicable6 state or federal law.

7 (8) Subsections (6) to (7) shall not be construed to preclude
8 the award of a contract based upon qualifications or based upon
9 best value for the authority.

10 (9) A board may employ personnel as the board considers 11 necessary to assist the board in performing the power, duties, and 12 jurisdictions of the authority, including, but not limited to, 13 employment of a chief executive officer as authorized under section 14 13.

15 (10) A board shall establish policies to assure that the board16 and the authority shall not do either of the following:

(a) Fail or refuse to hire, recruit, or promote; demote; 17 18 discharge; or otherwise discriminate against a person with respect 19 to employment, compensation, or a term, condition, or privilege of 20 employment, or a contract with the authority because of religion, 21 race, color, national origin, age, sex, sexual orientation, height, 22 weight, marital status, partisan considerations, or a disability or 23 genetic information that is unrelated to the person's ability to 24 perform the duties of a particular job, position, or contract.

(b) Limit, segregate, or classify an employee, a contractor,
or applicant for employment or a contract in a way that deprives or
tends to deprive the employee, contractor, or applicant of an

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1 employment opportunity or otherwise adversely affects the status of 2 an employee, contractor, or applicant because of religion, race, 3 color, national origin, age, sex, sexual orientation, height, 4 weight, marital status, partisan considerations, or a disability or 5 genetic information that is unrelated to the person's ability to 6 perform the duties of a particular job or position.

7 Sec. 13. (1) A board may appoint and fix the compensation of a chief executive officer for the authority. If the board appoints a 8 9 chief executive officer, the board shall prescribe the duties and responsibilities of the chief executive officer in addition to any 10 11 duties and responsibilities imposed upon the chief executive 12 officer under this act. Action by the board to appoint a chief executive officer under this section shall require the affirmative 13 vote of at least 5 board members. A chief executive officer of an 14 15 authority shall serve at the pleasure of the board, and the board may remove or discharge the chief executive officer of the 16 17 authority by a vote of not less than 5 board members.

18 (2) A chief executive officer shall supervise, and be 19 responsible for, the day-to-day operation of the authority, 20 including the control, supervision, management, and oversight of 21 convention facilities, the issuance of bonds and notes approved by 22 the board, the negotiation and establishment of compensation and 23 other terms and conditions of employment for any employees of the authority, the negotiation, supervision, and enforcement of 24 contracts entered into by the authority, and the supervision of 25 26 contractors of the authority in their performance of their duties. 27 A board may delegate to the chief executive officer of an authority

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the power and responsibility to execute and deliver, and sign for,
 contracts, leases, obligations, and other instruments as have been
 approved by the board or for which power to approve has been
 delegated to the chief executive officer of the authority.

5 (3) A chief executive officer of an authority shall have all 6 powers as are incident to the performance of his or her duties that 7 are prescribed by this act or by the board. All actions of the 8 chief executive officer of an authority shall be in conformance 9 with the policies of the board and in compliance with applicable 10 law.

11 Sec. 15. (1) A board member or an officer, employee, or agent 12 of an authority shall discharge the duties of his or her position in a nonpartisan manner, in good faith, and with the degree of 13 14 diligence, care, and skill that an ordinarily prudent person would exercise under similar circumstances in a like position. In 15 discharging his or her duties, a board member or an officer, 16 17 employee, or agent of an authority, when acting in good faith, may 18 rely upon any of the following:

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(a) The opinion of counsel for the authority.

20 (b) The report of an independent appraiser selected by the21 board.

(c) Financial statements of the authority represented to the member of the board, officer, employee, or agent to be correct by the officer of the authority having charge of its books of account or stated in a written report by the state auditor general or a certified public accountant, or a firm of certified accountants, to reflect the financial condition of the authority.

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1 (2) A board shall organize and make its own policies and 2 procedures and shall adopt bylaws not inconsistent with this act governing its operations. A majority of the members of a board 3 4 constitute a quorum for transaction of business, notwithstanding 5 the existence of 1 or more vacancies on the board. Except as otherwise provided in this act, actions taken by the board shall 6 require the affirmative vote of at least 4 board members. The board 7 shall meet at the call of the chairperson and as may be provided in 8 9 the bylaws.

10 (3) A member of a board or an officer, appointee, or employee 11 of an authority shall not be subject to personal liability when 12 acting in good faith within the scope of his or her authority or on account of liability of the authority, and the board may indemnify 13 a member of the board or an officer, appointee, or employee of the 14 authority against liability arising out of the discharge of his or 15 her official duties. An authority may indemnify and procure 16 17 insurance indemnifying members of the board and other officers and 18 employees of the authority from personal loss or accountability for 19 liability asserted by a person with regard to bonds or other 20 obligations of the authority, or from any personal liability or 21 accountability by reason of the issuance of the bonds or other 22 obligations or by reason of any other action taken or the failure 23 to act by the authority. The authority also may purchase and maintain insurance on behalf of any person against any liability 24 25 asserted against the person and incurred by the person in any 26 capacity or arising out of the status of the person as a member of 27 the board or an officer or employee of the authority, whether or

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not the authority would have the power to indemnify the person
 against that liability under this section. An authority, pursuant
 to bylaw, contract, agreement, or resolution of its board, may
 obligate itself in advance to indemnify persons.

5 (4) Board members and officers and employees of an authority are public servants subject to 1968 PA 317, MCL 15.321 to 15.330, 6 and are subject to any other applicable law with respect to 7 conflicts of interest. A board shall establish policies and 8 procedures requiring periodic disclosure of relationships which may 9 give rise to conflicts of interest. The board shall require that a 10 11 board member or chief executive officer of the authority with a 12 direct interest in any matter before the authority disclose the board member's or officer's interest and any reasons reasonably 13 14 known to the board member or officer why the transaction may not be in the best interest of the public or the authority before the 15 board takes any action with respect to the matter. The disclosure 16 17 shall become part of the record of an authority's proceedings.

18 (5) An authority shall establish an ethics manual governing 19 the conducting of authority business and the conduct of authority 20 officers and employees. An authority shall establish policies that 21 are no less stringent than those provided for public officers and employees by 1973 PA 196, MCL 15.341 to 15.348, and coordinate 22 23 efforts for the authority to preclude the opportunity for and the 24 occurrence of transactions by the authority that would create a 25 conflict of interest involving board members and officers or 26 employees of the authority. At a minimum, the policies shall 27 include compliance by each board member and officer or employees

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1 who regularly exercises significant discretion over the award and 2 management of authority procurements with policies governing all of 3 the following:

4 (a) Immediate disclosure of the existence and nature of any
5 financial interest that could reasonably be expected to create a
6 conflict of interest.

7 (b) Withdrawal by an employee, officer, or board member from
8 participation in or discussion or evaluation of any recommendation
9 or decision involving an authority procurement that would
10 reasonably be expected to create a conflict of interest for that
11 employee or member.

12 (6) The appointing authority of a board member may remove the
13 board member from office for gross neglect of duty, corrupt conduct
14 in office, or any other misfeasance or malfeasance in office.

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

21 (a) Adopt and use a corporate seal.

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

24 (c) Sue and be sued in its own name and plead and be25 impleaded.

26 (d) Borrow money and issue bonds and notes according to the27 provisions of this act.

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

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

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

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

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

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(j) Indemnify and procure insurance indemnifying board members

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from personal loss or accountability for liability asserted by a person with regard to bonds or other obligations of the authority, or from any personal liability or accountability by reason of the issuance of the bonds or other obligations or by reason of any other action taken or the failure to act by the authority.

(k) Invest money of the authority, at the discretion of the 6 7 board, in instruments, obligations, securities, or property determined proper by the board and name and use depositories for 8 9 authority money. Investments shall be made consistent with an 10 investment policy adopted by the board that complies with section 11 13 of the public employee retirement system investment act, 1965 PA 12 314, MCL 38.1133. The authority may invest the fund's assets in the 13 investment instruments and subject to the investment limitations 14 governing the investment of assets of public employee retirement 15 systems under the public employee retirement system investment act, 1965 PA 314, MCL 38.1132 to 38.1140m. 16

17 (1) Contract for goods and services as necessary and as 18 provided under this act. An authority may contract with a 19 management firm, either corporate or otherwise, to operate a 20 qualified convention facility, under the supervision of the 21 authority with the affirmative vote of at least 5 board members.

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

25 (n) Contract for the services of persons or entities for
26 rendering professional or technical assistance, including, but not
27 limited to, consultants, managers, legal counsel, engineers,

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1 accountants, and auditors, as provided under this act.

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(o) Establish and maintain an office.

(p) Acquire by gift, devise, transfer, exchange, purchase, 3 4 lease, or otherwise on terms and conditions and in a manner the 5 authority considers proper property or rights or interests in 6 property. Property or rights or interests in property acquired by 7 an authority may be by purchase contract, lease purchase, agreement, installment sales contract, land contract, or otherwise. 8 9 The acquisition of any property by an authority for a convention 10 facility in furtherance of the purposes of the authority is for a 11 public use, and the exercise of any other powers granted to the 12 authority is declared to be public, governmental, and municipal 13 functions, purposes, and uses exercised for a public purpose and 14 matters of public necessity.

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

(r) Except as provided in section 19(13), convey, sell, transfer, exchange, lease, or otherwise dispose of property or rights or interest in property to any person or entity on terms and condition, and in a manner and for consideration the authority considers proper, fair, and valuable.

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(s) Develop a convention facility.

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

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(u) Enter into exclusive or nonexclusive contracts, leases,

1 franchises, or other arrangements with persons or entities for 2 terms not exceeding 50 years, for 1 or more of the following 3 purposes:

4 (i) Granting the privilege of using or improving or having
5 access to all or any portion of a convention facility for
6 commercial purposes.

7 (*ii*) Granting the privilege of naming or placing advertising on
8 or in all or any portion of a convention facility.

9 (iii) Granting the privilege of supplying goods, commodities,
10 things, services, or facilities at a convention facility or any
11 portion of a convention facility.

12 (*iv*) Making available services to be furnished at a convention
13 facility, or any portion of a convention facility, under the
14 operational jurisdiction of the authority.

15 (v) Receiving financial or other assistance from a person
16 licensed under section 6 of the Michigan gaming control and revenue
17 act, 1996 IL 1, MCL 432.206.

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

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

26 (x) Contract with law enforcement agencies for the purpose of27 providing security and law enforcement functions at a convention

1 facility.

2 (y) Do all other acts and things necessary or convenient to
3 exercise the powers, duties, and jurisdictions of the authority
4 under this act or other laws that related to the purposes, powers,
5 duties, and jurisdictions of the authority.

6 (2) Notwithstanding any other provision of law to the
7 contrary, an authority shall not have the power to impose or levy a
8 tax.

9 Sec. 19. (1) Within 89 days of the effective date of this act 10 or the date on which a metropolitan area becomes a qualified 11 metropolitan area and prior to a transfer date, the legislative 12 body of a qualified city in the qualified metropolitan area may by 13 resolution approve the transfer of a qualified convention facility 14 to an authority. All of the following shall occur on a transfer 15 date:

(a) All right, title, and interest of a local government in 16 17 and to a qualified convention facility located in a qualified 18 metropolitan area shall by operation of this act be conveyed and 19 transferred from the local government to the authority for the 20 qualified metropolitan area, and the authority shall receive, 21 succeed to, and assume the exclusive right, responsibility, and 22 authority to own, occupy, operate, control, develop, and use the 23 qualified convention facility from and after the transfer date, including, but not limited to, all real property, buildings, 24 improvements, structures, easements, rights of access, and all 25 26 other privileges and appurtenances pertaining to the qualified 27 convention facility, subject only to those restrictions imposed by

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1 this act.

2 (b) All right, title, and interest in and to the fixtures, equipment, materials, furnishings, and other personal property of a 3 4 local government owned or controlled and used for purposes of the 5 qualified convention facility by the local government shall by operation of this act be conveyed and transferred from the local 6 government to the authority for the qualified metropolitan area, 7 and the authority shall receive, succeed to, and assume the 8 9 exclusive right, responsibility, and authority to possess and 10 control the property from and after the transfer date.

(c) All licenses, permits, approvals, or awards of a local government related to the ownership, occupancy, operation, control, development, or use of a qualified convention facility by the local government shall by operation of this act be conveyed and transferred from the local government to the authority for the qualified metropolitan area and be assumed by the authority.

17 (d) All grant agreements, grant preapplications, grant 18 applications, rights to receive the balance of any funds payable 19 under the agreements or applications, the right to receive any 20 amounts payable from and after the transfer date, and the benefits 21 of contracts or agreements of a local government related to the 22 ownership, occupancy, operation, control, development, or use of a 23 qualified convention facility by the local government shall by 24 operation of this act be conveyed and transferred from the local government to the authority for the qualified metropolitan area and 25 26 be assumed by the authority.

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(e) All of the duties, liabilities, responsibilities, and

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1 obligations of a local government related to the ownership,

occupancy, operation, control, development, or use of a qualified convention facility by the local government shall by operation of this act be conveyed and transferred from the local government to the authority for the qualified metropolitan area and assumed by the authority, except for any liabilities, responsibilities, or obligations that are contested in good faith by, or, as of the transfer date, unknown to, the authority.

9 (f) An authority for a qualified metropolitan area shall assume all of the outstanding securities of the local government 10 11 that were originally issued to finance the acquisition or construction of, development of, or improvements to the qualified 12 13 convention facility conveyed and transferred to the authority for 14 the qualified metropolitan area under this section, and the authority shall refund or defease the securities. If the authority 15 refunds the outstanding securities assumed under this subsection, 16 17 that refunding shall be considered, as a matter of law, to be 18 necessary to eliminate requirements of covenants applicable to the 19 existing outstanding securities.

20 (2) An authority may, in its sole discretion, assume, accept, 21 or become liable for any or all of the lawful agreements, 22 obligations, promises, covenants, commitments, and other 23 requirements of a local government relating to a qualified 24 convention facility conveyed and transferred under this section, except as provided in subsection (4). An authority shall perform 25 26 all of the duties and obligations and shall be entitled to all of 27 the rights of a local government and under any agreements expressly

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assumed and accepted by the authority related to the transfer of a
 qualified convention facility from the local government to the
 authority under this section.

4 (3) The local chief executive officer of a local government 5 from which the rights, responsibility, and authority to own occupy, operate, control, develop, and use a qualified convention facility 6 are conveyed and transferred from the local government to an 7 authority for a qualified metropolitan area under this section 8 9 shall execute the instruments of conveyance, assignment, and 10 transfer or other documents as may, in the authority's judgment, as 11 necessary or appropriate to recognize, facilitate, or accomplish 12 the transfer of the qualified convention facility from the local 13 government to the authority under this section.

14 (4) An authority for a qualified metropolitan area shall not 15 assume any unfunded obligations of a local government transferring 16 a qualified convention facility under this section to provide 17 pensions or retiree health insurance. Upon request by the 18 authority, the local government shall provide the authority with a 19 statement of the amount of the unfunded obligations, determined by 20 a professional actuary acceptable to the authority.

(5) All lawful actions, commitments, and proceedings of a local government made, given, or undertaken before the transfer date and assumed by an authority under this section are ratified, confirmed, and validated upon assumption. All actions, commitments, or proceedings of the local government relating to a qualified convention facility in the process of being undertaken by, but not yet a commitment or obligation of, the local government regarding

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the qualified convention facility may, from and after the date of assumption by the authority under this section, be undertaken and completed by the authority in the manner and at the times provided in this act or other applicable law and in any lawful agreements made by the local government before the date of assumption by the authority under this section.

7 (6) The exclusive right and authorization to own, occupy,
8 operate, control, develop, and use a qualified convention facility
9 transferred under this section shall include, but not be limited
10 to:

(a) Ownership and operational jurisdiction over all real property of the qualified convention facility, subject to any liens of record and legal restrictions and limitations on the use of the property.

(b) The local government's right, title, and interest in, and, to the extent accepted by the authority, all of the local government's responsibilities arising under leases and concessions relating to, a qualified convention facility.

19 (7) The transfers described under this section shall include,20 but need not be limited to, all of the following:

21 (a) All contracts with licensees, franchisees, tenants,22 concessionaires, and leaseholders.

(b) All operating financial obligations secured by revenues
and fees generated from the operations of the qualified convention
facility.

26 (c) All cash balances and investments relating to or resulting27 from operations of the qualified convention facility, all funds

held under an ordinance, resolution, or indenture related to or
 securing obligations of the local government assumed by the
 authority, and all of the accounts receivable or choses in action
 arising from operations of the qualified convention facility.

5 (d) All office equipment, including, but not limited to,
6 computers, records and files, software, and software licenses
7 required for financial management, personnel management, accounting
8 and inventory systems, and general administration.

9 (8) The transfer of the real and personal property and 10 operational jurisdiction over a qualified convention facility to an 11 authority may not in any way impair any contracts with licensees, 12 franchisees, vendors, tenants, bondholders, or other parties in privity with the local government that owned a qualified convention 13 facility transferred to an authority under this section, if the 14 contracts were not entered into or modified in violation of this 15 16 act.

(9) From and after the transfer date, a local government from 17 18 which a qualified convention facility has been transferred shall be 19 relieved from all further costs, responsibility, and liability 20 arising from, or associated with, control, operation, development, 21 and maintenance of the qualified convention facility. The local 22 government shall continue to be responsible for all costs 23 associated with local municipal services, including, but not 24 limited to, police, fire, and emergency medical services, without 25 any additional compensation from the authority. The authority shall 26 provide for the payment of compensation not exceeding 27 \$20,000,000.00 to the qualified city for any revenue otherwise

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payable to the qualified city from parking facilities operated by the qualified city at the qualified convention facility and for other costs incurred by the qualified city associated with the transfer of the qualified convention facility to the authority under this section.

6 (10) A local government that owns a qualified convention
7 facility subject to transfer under this section or that owned a
8 qualified convention facility transferred to an authority under
9 this section shall comply with all of the following, before and
10 after the transfer:

(a) Refrain from any action to sell, transfer, or otherwise dispose of a qualified convention facility other than to the authority or incur new or expanded obligations related to qualified convention facility, without the consent of the authority.

(b) Refrain from any approval of or material modification to any collective bargaining agreement applicable to local government employees employed at or assigned to the qualified convention facility or to terms of employment for employees at or assigned to the qualified convention facility. Any approval or modification subject to this subsection shall be null and void.

(c) Refrain from any action that, in the authority's judgment, would impair the authority's exercise of the powers granted to the authority under this act or that would impair the efficient operation and management of the qualified convention facility by the authority.

26 (d) Take all actions reasonably necessary to cure any defects27 in title to the qualified convention facility and related property

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transferred under this section, including, but not limited to,
 providing documents, records, and proceedings in respect of title.

3 (e) At the request of an authority, grant any license,
4 easement, or right-of-way in connection with the qualified
5 convention facility to the extent the authority has not been
6 empowered to take these actions.

7 (f) Upon creation, an authority for the qualified metropolitan
8 area in which the local government is located and before the
9 transfer date may conduct operations, maintenance, and repair of
10 the convention facility in the ordinary and usual course of
11 business.

12 (11) Any contract, agreement, lease, sale, disposition, transfer, or other conveyance, easement, license, right, 13 14 obligation, debt, or liability assumed, approved, entered into, amended, or modified in violation of this section shall be voidable 15 as a matter of law to the extent that the authority would otherwise 16 17 assume, become party to or transferee of, or otherwise be obligated 18 under the contract, agreement, lease, sale, disposition, transfer, 19 conveyance, easement, license, right, obligation, debt, or 20 liability.

(12) Unless otherwise provided in this act, the local chief executive officer of a local government that owns a qualified convention facility subject to transfer under this section is authorized and shall take all reasonable steps to cancel or terminate any agreement to which the local government is a party that relates to the qualified convention facility and meets all the following criteria:

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(a) The authority has not expressly assumed or accepted the
 agreement under subsection (2).

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3 (b) The agreement provides for cancellation or termination.
4 (c) In the absence of cancellation or termination, the
5 authority would become a party to the agreement by succession,
6 assignment, operation of law, or any other involuntary means.

7 (13) If real property transferred from a qualified city to an
8 authority under this section is no longer used by the authority for
9 the purpose of maintaining or operating a convention facility, all
10 right, title, and interest of the authority in the real property
11 shall revert from the authority to the qualified city.

12 Sec. 21. (1) The authority, as of the transfer date, immediately shall assume and be bound by any existing collective 13 14 bargaining agreements applicable to employees of the local government whose employment is transferred to the authority either 15 as a result of the authority's express assumption of the employees 16 17 or by application of section 19 for the remainder of the term of 18 the collective bargaining agreement. Local government employees 19 whose employment is not transferred to the authority shall be 20 reassigned within the local government, pursuant to the terms of 21 any applicable collective bargaining agreements. A representative 22 of the employees or a group of employees in the local government 23 who represents or is entitled to represent the employees or a group of employees of the local government pursuant to 1947 PA 336, MCL 24 423.201 to 423.217, shall continue to represent the employee or 25 26 group of employees after the employees transfer to the authority. 27 This subsection does not limit the rights of employees, pursuant to

applicable law, to assert that a bargaining representative protected by this subsection is no longer their representative. The rights and benefits protected by this subsection may be altered by a future collective bargaining agreement or, for employees not covered by collective bargaining agreements, by benefit plans as established and adopted by the authority.

7 (2) Transferred employees shall not by reason of the transfer have their accrued local government pension benefits or credits 8 9 diminished. If a transferring employee is not vested in his or her 10 local government pension rights at the time of transfer, his or her 11 posttransfer service with the authority shall be credited toward 12 vesting in any local government retirement system in which the 13 transferring employee participated prior to the transfer, but 14 posttransfer service with the authority shall not be credited for any other purpose under the local government's retirement system, 15 except as provided in subsection (4). 16

17 (3) A transferred local government employee described in this 18 section or a person hired by the authority as a new employee after 19 the transfer date shall remain or become a participant in the local 20 government retirement system until the authority has established 21 its own retirement system or pension plan. During the period the 22 employee remains or is a participant in the local government 23 system, the employee's posttransfer service with the authority and 24 his or her posttransfer compensation from the authority shall be counted in determining both eligibility for and the amount of 25 26 pension benefits that the employee will be eligible to receive from 27 the local government system or plan.

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1 (4) If the local government maintains a retirement system that 2 provides for continuing participation and benefit accrual by local government employees who transfer their employment to another 3 4 entity in conjunction with transfer of a local government function 5 to that entity, then the transferred employee may elect to remain a 6 participant in the local government retirement system in lieu of participation in any retirement system or pension plan of the 7 authority. If the transferred employee elects to remain a 8 9 participant in the local government system, the employee's posttransfer service with the authority and his or her posttransfer 10 11 compensation from the authority shall be counted in determining 12 both eligibility for and the amount of pension benefits that the employee will be eligible to receive from the local government 13 14 system or plan. Any election to remain in a local government system or plan shall be made within 60 days following the date the 15 authority has established its own retirement system or pension plan 16 17 and shall be irrevocable. Employees eligible to make the election described in this subsection shall be those employees who 18 19 immediately before their transfer date were participating in the 20 local government system and who agree to make any employee contributions required for continuing participation in the local 21 22 government system and also agree to meet all requirements and be subject to all conditions that, from time to time, apply to 23 24 employees of the local government who participate in the local 25 government system.

26 (5) For each employee meeting the requirements of subsection
27 (4) who elects to remain a participant in the local government

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1 retirement system, the authority shall, on a timely basis, 2 contribute, as applicable, to the trustees of that retirement 3 system an amount determined by the local government system's 4 actuary to be sufficient to fund the liability for all of that 5 employee's retirement and other postemployment benefits under the 6 system on a current basis, as those liabilities are accrued from 7 and after the transfer date.

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

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

16 (b) Federal, state, or local government grants, loans,17 appropriations, payments, or contributions.

18 (c) The proceeds from the sale, exchange, mortgage, lease, or19 other disposition of property that the authority has acquired.

20 (d) Grants, loans, appropriations, payments, proceeds from
21 repayments of loans made by the authority, or contributions from
22 public or private sources.

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

26 (f) Investment earnings on the revenues described in27 subdivisions (a) to (e).

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

4 (3) Notwithstanding any other provision of law to the
5 contrary, an authority shall not have the power to impose or levy a
6 tax.

7 (4) The board by resolution may establish a regional convention facility operating trust fund for the purpose of 8 accumulating funds to pay for the cost of operating and maintaining 9 a qualified convention facility. Money for operating and 10 11 maintaining a qualified convention facility, at the authority's 12 discretion, may be provided from this fund or any other money of 13 the authority. The resolution establishing the fund shall include all of the following: 14

15 (a) The designation of a person or persons who shall act as16 the fund's investment fiduciary.

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

(5) An investment fiduciary shall invest the assets of the fund in accordance with an investment policy adopted by the board that complies with section 13 of the public employee retirement system investment act, 1965 PA 314, MCL 38.1133. However, the investment fiduciary shall discharge his or her duties solely in the interest of the authority. The authority may invest the fund's assets in the investment instruments and subject to the investment

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limitations governing the investment of assets of public employee
 retirement systems under the public employee retirement system
 investment act, 1965 PA 314, MCL 38.1132 to 38.1140m.

4 Sec. 25. (1) For the purpose of acquiring, purchasing, constructing, improving, enlarging, furnishing, equipping, 5 reequipping, developing, or repairing a convention facility 6 transferred under section 19 or subsequently acquired by an 7 authority, the authority may issue self-liquidating bonds of the 8 authority in accordance with and exercise all of the powers 9 conferred upon public corporations by the revenue bond act of 1933, 10 11 1933 PA 94, MCL 141.101 to 141.140. Revenue bonds issued by the 12 authority are a debt of the authority and not a debt of any qualified county, county, qualified city, city, or this state. 13

14 (2) The authority may borrow money and issue municipal
15 securities in accordance with and exercise all of the powers
16 conferred upon municipalities by the revised municipal finance act,
17 2001 PA 34, MCL 141.2101 to 141.2821.

18 (3) The authority may issue a municipal security that bears no 19 interest and appreciates as to principal amount if the municipal 20 security is rated investment grade by a nationally recognized 21 rating agency or has insurance for payment of the principal and interest on the municipal security to the holders of the municipal 22 23 security. The municipal securities authorized by this subsection shall be exempt from the limitations of section 305 of the revised 24 municipal finance act, 2001 PA 34, MCL 141.2305, except that the 25 26 accreted principal amount of the municipal security shall be 27 considered interest and shall be within the interest rate

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limitations provided in section 305(1) of the revised municipal
 finance act, 2001 PA 34, MCL 141.2305.

3 (4) All bonds or other evidences of indebtedness issued by an
4 authority under this act, and the interest on the bonds or other
5 evidences of indebtedness, are free and exempt from all taxation
6 within this state, except for transfer and franchise taxes.

7 (5) The issuance of bonds by an authority shall require the8 affirmative vote of at least 5 board members.

9 (6) For the purpose of more effectively managing its debt
10 service, an authority may enter into an interest rate exchange or
11 swap, hedge, or similar agreement or agreements in connection with
12 the issuance or proposed issuance of obligations or other evidences
13 of indebtedness or in connection with its then outstanding
14 obligations or other evidences of indebtedness.

15 (7) In connection with entering into an interest rate exchange 16 or swap, hedge, or similar agreement, the authority may create a 17 reserve fund for the payment thereof.

18 (8) An agreement entered into pursuant to this section shall19 comply with all of the following:

20 (a) The agreement is not a debt of the authority entering into21 the agreement for any statutory or charter debt limitation purpose.

(b) The agreement is payable from general funds of the authority or, subject to any existing contracts, from any available money or revenue sources, including revenues specified by the agreement, securing the obligation or evidence of indebtedness in connection with which the agreement is entered into.

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Sec. 27. (1) Notwithstanding any other provisions of this act

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1 or any other law, the provisions of all ordinances, resolutions, 2 and other proceedings of the local government in respect to any outstanding bonds, notes, or any and all evidences of indebtedness 3 4 or liability assumed by an authority pursuant to this act, if any, 5 shall constitute a contract between the authority and the holders of the bonds, notes, or evidences of indebtedness or liability and 6 are enforceable against the authority or any or all of its 7 successors or assigns, by mandamus or any other appropriate suit, 8 9 action, or proceeding in law or in equity in any court of competent jurisdiction in accordance with law. 10

(2) Bonds, notes, or any and all evidences of indebtedness or liability that are assumed by an authority under this act shall be payable from and secured by the sources of revenue that were pledged to those bonds, notes, or evidences of indebtedness or liability under the ordinance, resolution, or other proceedings of the local government and shall not constitute a full faith and credit obligation of the authority or of this state.

18 (3) Nothing in this act or in any other law shall be held to 19 relieve the local government from which a convention facility has 20 been transferred from any bonded or other debt or liability 21 lawfully contracted by the local government, to which the full 22 faith and credit of the local government has been pledged and that 23 remains outstanding as of the transfer date, notwithstanding that 24 the proceeds of the debt or liability have been used by the local 25 government in support of the convention facility.

26 (4) Upon the transfer of a convention facility to an27 authority, trustees, paying agents, and registrars for any

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1 obligation of the local government that has been expressly assumed 2 by the authority under section 19 shall perform all of their duties and obligations and provide all notices related to the obligations 3 4 as if the authority were the issuer of the obligations. The 5 trustees, paying agents, and registrars shall care for and consider 6 all revenues and funds pledged to secure obligations of the local government that have been assumed by the authority under section 19 7 as revenues and funds of the authority. The authority shall 8 9 indemnify and hold harmless these trustees, paying agents, and 10 registrars from liability incurred in compliance with this 11 subsection.

12 Sec. 29. (1) Unless permitted by this act or approved by an authority, any restrictions standards or prerequisites of a local 13 14 government otherwise applicable to an authority and enacted after the effective date of this act shall not apply to an authority. 15 This subsection is intended to prohibit special local legislation 16 17 or ordinances applicable exclusively or primarily to an authority and not to exempt an authority from laws generally applicable to 18 19 other persons or entities.

(2) The powers conferred in this act upon any authority or
local government shall be in addition to any other powers the
authority or local government possesses by charter or statute. The
provisions of this act apply notwithstanding any resolution,
ordinance, or charter provision to the contrary.

(3) This act shall be construed liberally to effectuate the
legislative intent and the purpose of this act as complete and
independent authorization for the performance of each and every act

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and thing authorized in the act, and all powers granted in this act
 shall be broadly interpreted to effectuate the intent and purposes
 of this act and not as to limitation of powers.

Enacting section 1. This act does not take effect unless all
of the following bills of the 94th Legislature are enacted into
law:

- 7 (a) House Bill No. 5691.
- 8 (b) House Bill No. 6405.