

**SUBSTITUTE FOR
SENATE BILL NO. 739**

A bill to amend 1986 PA 281, entitled
"The local development financing act,"
by amending section 5 (MCL 125.2155), as amended by 2010 PA 276.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 5. (1) The authority shall be under the supervision and
2 control of a board of 7 members appointed by the chief executive
3 officer of the city, village, or urban township creating the
4 authority subject to the approval of the governing body creating
5 the authority. The board shall include 1 member appointed by the
6 county board of commissioners of the county in which the authority
7 is located. The board shall include 1 member representing a
8 community or junior college in whose district the authority is
9 located appointed by the chief executive officer of that community

1 or junior college. The board shall also include 2 members appointed
2 by the chief executive officer of each local governmental unit,
3 other than the city, village, or urban township creating the
4 authority, which levied 20% or more of the ad valorem property
5 taxes levied against all property located in an authority district
6 in the year before the year in which the authority district is
7 established. However, those additional members shall only vote on
8 matters relating to authority districts located within their
9 respective local unit of government. Of the members first
10 appointed, an equal number, as near as possible, shall have terms
11 designated by the governing body creating the authority of 1 year,
12 2 years, 3 years, and 4 years. However, a member shall hold office
13 until the member's successor is appointed. After the first
14 appointment, each member shall serve for a term of 4 years. An
15 appointment to fill a vacancy shall be made in the same manner as
16 the original appointment. An appointment to fill an unexpired term
17 shall be for the unexpired portion of the term only. Members of the
18 board shall serve without compensation, but shall be reimbursed for
19 actual and necessary expenses.

20 (2) The chairperson of the board shall be elected by the
21 board.

22 (3) Before assuming the duties of office, a member shall
23 qualify by taking and subscribing to the constitutional oath of
24 office.

25 (4) The board shall adopt rules governing its procedure and
26 the holding of regular meetings, subject to the approval of the
27 governing body. Special meetings may be held when called in the

1 manner provided in the rules of the board. Meetings of the board
2 shall be open to the public, in accordance with the open meetings
3 act, 1976 PA 267, MCL 15.261 to 15.275. **THE RULES OF PROCEDURE OF**
4 **THE AUTHORITY MAY PERMIT A PERSON TO BE APPOINTED TO THE BOARD IN**
5 **HIS OR HER CAPACITY AS A PUBLIC OFFICIAL, WHETHER APPOINTED OR**
6 **ELECTED. THE RULES OF PROCEDURE OF THE AUTHORITY MAY ALSO PROVIDE**
7 **THAT THE MEMBER'S TERM ON THE BOARD SHALL EXPIRE UPON EXPIRATION OF**
8 **THE MEMBER'S SERVICE AS A PUBLIC OFFICIAL. THE EXPIRATION OF**
9 **SERVICE AS A PUBLIC OFFICIAL SHALL BE DEFINED TO ALSO INCLUDE THE**
10 **PUBLIC OFFICIAL'S RESIGNATION OR REMOVAL FROM THE POSITION AS A**
11 **PUBLIC OFFICIAL.**

12 (5) Subject to notice and an opportunity to be heard, a member
13 of the board may be removed before the expiration of his or her
14 term for cause by the governing body. Removal of a member is
15 subject to review by the circuit court.

16 (6) All expense items of the authority shall be publicized
17 annually and the financial records shall be open to the public
18 pursuant to the freedom of information act, 1976 PA 442, MCL 15.231
19 to 15.246.

20 (7) The provisions of subsections (1) and (5) of this section
21 shall not apply to an authority exercising its powers under section
22 3(3).