

HOUSE BILL NO. 6403

November 12, 2020, Introduced by Reps. Coleman and Steven Johnson and referred to the Committee on Government Operations.

A bill to amend 1955 PA 233, entitled

"An act to provide for the incorporation of certain municipal authorities to acquire, own, extend, improve, and operate sewage disposal systems, water supply systems, and solid waste management systems; to prescribe the rights, powers, and duties thereof; to authorize contracts between such authorities and public corporations; to provide for the issuance of bonds to acquire, construct, extend, or improve the systems; and to prescribe penalties and provide remedies,"

by amending sections 2, 3, 4a, 6, and 8 (MCL 124.282, 124.283,

124.284a, 124.286, and 124.288), section 2 as amended by 1981 PA 154, section 4a as amended by 2008 PA 172, and section 8 as amended by 2009 PA 166.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 2. (1) Any 2 or more municipalities may incorporate an
2 authority for the purpose of acquiring, owning, improving,
3 enlarging, extending, and operating a sewage disposal system, a
4 water supply system, a solid waste management system, or a
5 combination of systems by ~~the adoption of~~ **adopting** articles of
6 incorporation by the legislative body of each of the
7 municipalities. The fact of the adoption ~~shall~~ **must** be endorsed on
8 ~~such~~ **the** articles of incorporation by the chairperson of the county
9 board of commissioners and the county clerk in case of a county;
10 the mayor and clerk in case of a city; the president and clerk in
11 case of a village; and the supervisor and clerk in case of a
12 township, in form substantially as follows:

13 "The foregoing articles of incorporation were adopted by
14 the of the of
15 County Michigan, at a meeting duly held on the day
16 of, ~~19....~~ **20**__.

17
18 of said
19
20 of said
21"

22 (2) The authority shall be comprised of the territory lying
23 within the incorporating municipalities. ~~The~~ **Before January 1,**
24 **2022, the** articles of incorporation ~~shall~~ **must** be published at
25 least once in a newspaper designated in the articles and having

1 general circulation within the territory encompassed by the
 2 authority. **Beginning January 1, 2022, public notice of the articles**
 3 **of incorporation must be posted as set forth in the local**
 4 **government public notice act.** One printed copy of the articles of
 5 incorporation certified as a true copy by the person or persons
 6 designated for the certification, with the date and place of the
 7 publication **or posting,** ~~shall-must~~ be filed with the secretary of
 8 state and the clerk of the county within which the territory or the
 9 major portion of the territory is located. The authority ~~shall~~
 10 ~~become~~**becomes** effective at the time provided in the articles of
 11 incorporation. The validity of the incorporation ~~shall-be~~**is**
 12 conclusively presumed unless questioned in a court of competent
 13 jurisdiction within 60 days after the filing of the certified
 14 copies with the secretary of state and the county clerk.

15 Sec. 3. ~~Said~~**The** articles of incorporation ~~shall-must~~ state
 16 the name of ~~such-the~~ authority, the names of the various
 17 municipalities creating the ~~same,~~**authority,** the purpose or
 18 purposes for which ~~it-the~~**the authority** is created, the powers, duties,
 19 and ~~limitation-limitations~~ of the authority and its officers, the
 20 method of selecting its governing body, officers, and employees,
 21 the person or persons who are charged with the responsibilities of
 22 causing the articles of incorporation to be published **or posted** and
 23 the printed copies ~~thereof-of the articles of incorporation~~ to be
 24 certified and filed as ~~above~~**provided in section 2,** or who are
 25 charged with any other responsibility in connection with the
 26 incorporation of ~~said-the~~ authority, and any other matters ~~which~~
 27 **that** the incorporators ~~shall-deem~~**consider** advisable, all of which
 28 ~~shall-be~~**are** subject to the provisions of the **state** constitution **of**
 29 **1963** and **the** statutes of the **this** state ~~of Michigan~~ and

1 particularly of this act.

2 Sec. 4a. The authority shall adopt rules and regulations by
3 resolution of its governing body and with concurrence by resolution
4 of constituent municipalities. ~~After adoption of~~ **Before January 1,**
5 **2022, after adopting** the resolution and concurrence by the
6 constituent municipalities, a notice of adoption of the resolution
7 and the rules and regulations, or a summary of those rules and
8 regulations, ~~shall~~ **must** be published in a newspaper of general
9 circulation within the territory encompassed by the authority and
10 within the territory furnished service by the authority by contract
11 ~~pursuant to~~ **under** section 10. **Beginning January 1, 2022, after**
12 **adopting the resolution and concurrence by the constituent**
13 **municipalities, notice of adoption of the resolution and the rules**
14 **and regulations, or a summary of those rules and regulations, must**
15 **be posted as set forth in the local government public notice act.**
16 **Beginning January 1, 2022, the notice must be posted within the**
17 **territory encompassed by the authority and within the territory**
18 **furnished service by the authority by contract under section 10.**
19 The rules and regulations ~~shall~~ become effective 30 days after the
20 date of publication **or posting** of the notice and the rules and
21 regulations or the summary of the rules and regulations. If a
22 summary of rules and regulations is published **or posted**, the
23 summary ~~shall~~ **must** be written in clear and nontechnical language
24 and the authority shall designate in the publication **or posting** the
25 location where a full copy of the rules and regulations can be
26 inspected or obtained.

27 Sec. 6. Any municipality ~~which~~ **that** did not join in the
28 incorporation of an authority may become a ~~constituent~~ **constituent**
29 ~~part thereof~~ **of the authority** by amendment to the articles of

incorporation adopted by the legislative body of ~~such the~~ municipality and by the legislative body of each municipality of which ~~such the~~ authority is composed. Other amendments may be made to the articles of incorporation if adopted by the legislative body of each municipality of which the authority is composed. ~~Any such~~ **Each** amendment ~~shall must~~ be indorsed, published **or posted**, and certified printed copies filed ~~—~~ in the same manner as the original articles of incorporation, except that the printed copies ~~shall~~ **must** be certified and filed by the recording officer of the authority.

Sec. 8. (1) A municipality or Indian tribe desiring to enter into a contract with the authority under section 7 shall authorize, by resolution of its governing body, the execution of the contract. ~~After the adoption of~~ **Before January 1, 2022, after adopting** such a resolution by a municipality, the municipality shall publish a notice of the resolution in a newspaper of general circulation in the municipality. **Beginning January 1, 2022, after adopting such a resolution by a municipality, notice of the resolution must be posted by the municipality as set forth in the local government public notice act.** The notice ~~shall must~~ state all of the following:

(a) That the governing body has adopted a resolution authorizing execution of the contract.

(b) The purpose of the contract.

(c) The source of payment for the contractual obligation.

(d) The right of referendum on the contract.

(e) Other information that the municipality's governing body determines to be necessary to adequately inform all interested persons of the nature of the obligation.

(2) A contract under subsection (1) may be executed and delivered by the municipality upon approval by its governing body without a vote of the electors on the contract, but the contract ~~shall~~**does** not become effective until the expiration of 45 days after the date of publication **or posting** of the notice. If within the 45-day period a petition signed by not less than 10% or 15,000, whichever is less, of the registered electors residing within the limits of the municipality is filed with the clerk of the municipality requesting a referendum upon the contract, the contract ~~shall~~**does** not become effective until approved by the vote of a majority of the qualified electors of the municipality voting on the question at a general or special election. If, before November 19, 1981, a municipality published a resolution authorizing the execution of a contract under this section in substantial compliance with this section as then in effect, and the referendum period formerly provided by this section expired, but the bonds were not issued, the resolution and the publication of the resolution are valid and, if a petition for a referendum on execution of the contract was not signed and filed within the time period formerly provided by this section, the contract may be executed and ~~shall~~ become effective without submitting the proposition for approval to the electors, or if a petition was ~~so~~ signed and filed, the contract may be executed and become effective if approved at an election as formerly provided in this section. A special election called for the purpose provided in this section ~~shall~~**must** not be included in any statutory or charter limitation as to the number of special elections to be called within any period of time. Signatures on the petition ~~shall~~**must** be verified under oath as the actual signatures of the ~~persons~~**individuals**

1 whose names are signed to the petition. The clerk of the
2 municipality has the same power to reject signatures as city clerks
3 under section 25 of the home rule city act, 1909 PA 279, MCL
4 117.25. The number of registered electors in any municipality ~~shall~~
5 **must** be determined by the registration books as of the date of the
6 filing of the petition.

7 Enacting section 1. This amendatory act does not take effect
8 unless Senate Bill No. ____ or House Bill No. 6440 (request no.
9 02449'19) of the 100th Legislature is enacted into law.