

**SUBSTITUTE FOR
HOUSE BILL NO. 4177**

An act to provide for the establishment of history museum authorities; to provide for the powers and duties of a history museum authority; to authorize the levy and collection of a property tax by a history museum authority; and to provide for the powers and duties of certain state and local governmental officers and entities.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act may be cited as the "history museum
2 authorities act".

3 Sec. 3. As used in this act:

4 (a) "Articles" means the articles of incorporation of an
5 authority.

6 (b) "Authority" means a history museum authority established

1 under section 5.

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

3 (d) "Capital improvement" means a durable upgrade, adaptation,
4 or enhancement of a property that increases the property's value.
5 Capital improvement does not include reasonable expenditures made
6 in connection with the installation or removal of exhibitions that
7 require improvements to a property.

8 (e) "Electors of the authority" means the qualified and
9 registered electors of a county.

10 (f) "History museum" means a historical museum whose primary
11 collection and facility, at the date an authority is established,
12 are owned by a city with a population of over 500,000.

13 (g) "History museum services" means the operation or support
14 of a history museum.

15 (h) "History museum services provider" means a nonprofit
16 entity qualified under section 501(c)(3) of the internal revenue
17 code, 26 USC 501, that, as its primary purpose, provides history
18 museum services to a history museum.

19 (i) "Local historical museum" means a historical museum that
20 is located within the county in which an authority is established
21 and that is owned or exclusively operated by a municipality, a
22 county, or a nonprofit entity qualified under section 501(c)(3) of
23 the internal revenue code, 26 USC 501, but that does not qualify as
24 a history museum under subdivision (f).

25 Sec. 5. (1) Any county may establish a history museum
26 authority.

27 (2) A history museum authority is an authority under section 6
28 of article IX of the state constitution of 1963. A history museum
29 authority is a public corporate body with the power to sue and be

1 sued in any court of this state.

2 (3) A history museum authority possesses all the powers
3 necessary for carrying out the purposes of its establishment. The
4 enumeration of specific powers in this act must not be construed as
5 a limitation on the general powers of an authority, consistent with
6 its articles.

7 (4) An authority shall not obtain an interest in real property
8 or participate in the governance of a history museum.

9 Sec. 7. (1) To initiate the establishment of an authority,
10 articles of incorporation must be prepared by a majority of the
11 members of the county board of commissioners of the county
12 establishing the authority. The articles of incorporation must
13 include all of the following:

14 (a) The name of the authority.

15 (b) The size of the board of directors of the authority, which
16 must be composed of an odd number of members and must not exceed 15
17 members.

18 (c) The qualifications and terms of office of board members.

19 (d) The manner of appointing board members.

20 (e) The manner of filling vacancies in the office of board
21 member.

22 (f) The purpose of the authority.

23 (g) The method of dissolution of the authority.

24 (h) Any other matters considered advisable.

25 (2) The articles must be adopted and may be amended by an
26 affirmative vote of a majority of the members of the county board
27 of commissioners of the county establishing the authority.

28 (3) Before the proposed articles or amendments to the articles
29 are adopted, the proposed articles or amendments must be published

1 not less than once in a newspaper generally circulated within the
2 county. The adoption of proposed articles or amendments by the
3 county must be evidenced by an endorsement on the articles or
4 amendments by the clerk of the county.

5 (4) Upon adoption of the articles or amendments to the
6 articles by the county, the clerk of the county shall file a
7 printed copy of the articles or the amended articles with the
8 secretary of state.

9 (5) The authority's articles of incorporation, or amendments
10 to the articles, take effect when filed with the secretary of
11 state.

12 Sec. 9. (1) A vacancy occurs on the board if any of the events
13 described in section 3 of 1846 RS 15, MCL 201.3, occur. Members of
14 the board may be removed by the county board of commissioners for
15 good cause after a public hearing. Vacancies must be filled in the
16 manner as provided for in the authority's articles of
17 incorporation.

18 (2) A majority of the members of the board constitute a quorum
19 for the purpose of conducting business and exercising the powers of
20 an authority. Official action may be taken by an authority on the
21 vote of a majority of the board members present, unless the
22 authority adopts bylaws requiring a larger number.

23 (3) A member of the board shall not receive compensation for
24 services as a member of the board but is entitled to reimbursement
25 for reasonable expenses, including expenses for travel previously
26 authorized by the board, incurred in the discharge of the member's
27 duties.

28 (4) The business that an authority may perform must be
29 conducted at a public meeting of the authority held in compliance

1 with the open meetings act, 1976 PA 267, MCL 15.261 to 15.275.
2 Public notice of the time, date, and place of the meeting must be
3 given in the manner required by the open meetings act, 1976 PA 267,
4 MCL 15.261 to 15.275.

5 (5) A writing prepared, owned, or used by an authority in the
6 performance of an official function must be made available in
7 compliance with the freedom of information act, 1976 PA 442, MCL
8 15.231 to 15.246.

9 (6) At its first meeting, a board shall elect a chairperson, a
10 secretary, a treasurer, and any other officers it considers
11 necessary.

12 (7) A board may adopt bylaws to govern its procedures.

13 Sec. 11. (1) An authority may do 1 or more of the following:

14 (a) Subject to subsection (2), provide funding pursuant to a
15 contract with 1 or more history museum services providers to
16 support the provision of history museum services.

17 (b) Provide grant funding to local historical museums.

18 (c) Levy a tax as provided in section 17.

19 (d) Enter into contracts incidental or necessary for the
20 accomplishment of the purposes of this act.

21 (e) Contract for or retain professional services.

22 (2) If the authority contracts with more than 1 history museum
23 services provider, the authority must obtain a memorandum of
24 understanding between the history museum services providers and
25 distribute the revenue received from the tax levy under section 17
26 pursuant to the memorandum of understanding.

27 Sec. 13. (1) Before a vote for a tax levy under section 17
28 occurs or, if an initial history museum services provider is
29 replaced, before any funds are transferred under section 25 to a

1 replacement history museum services provider, the history museum
2 services provider must enter into a contract with the authority
3 requiring the history museum services provider to use the funds
4 received from the authority exclusively to support the provision of
5 history museum services to a history museum.

6 (2) In the contract described in this section, an authority
7 may include a provision that funds received by the contracting
8 history museum services provider are not to be used for 1 or more
9 of the following activities:

10 (a) Establishing or adding to the principle of an endowment
11 fund.

12 (b) Capital improvements.

13 (c) Deferred maintenance.

14 Sec. 15. If a majority of electors in the county voting on the
15 question of a tax as provided in section 17 approve the tax, the
16 contract as provided in section 13 must require the history museum
17 services provider to offer or to exercise its best efforts to cause
18 the history museum to offer preferences or benefits for the
19 residents of the county that must include, at a minimum, all of the
20 following:

21 (a) Free admittance to the history museum for which the
22 history museum services provider provides history museum services.

23 (b) Programming designed for schools and student groups.

24 (c) Programming for senior citizens.

25 Sec. 17. (1) An authority may levy a tax of not more than 0.2
26 mills for a period of not more than 10 years on all of the taxable
27 property within the county for the purpose of providing revenue to
28 1 or more history museum services providers that will be used
29 exclusively for the benefit of 1 or more history museums with

1 respect to which the history museum services providers render
2 services. The authority may levy the tax only if a majority of the
3 electors in the county voting on the tax at an election held on a
4 regular election date as provided in section 641(1) of the Michigan
5 election law, 1954 PA 116, MCL 168.641, approve the tax. The
6 proposal for a tax must be submitted to a vote of the electors of
7 the authority by resolution of the board, and must not be submitted
8 to a vote of the electors before January 1, 2025.

9 (2) A ballot proposal for a tax must comply with the
10 requirements of section 24f of the general property tax act, 1893
11 PA 206, MCL 211.24f. A proposal for a tax must not be placed on the
12 ballot unless the proposal is adopted by a resolution of the board
13 and certified by the board not later than 60 days before the
14 election to the county clerk of the county for inclusion on the
15 ballot. The proposal must be certified for inclusion on the ballot
16 at the next eligible election, as specified by the board's
17 resolution.

18 (3) If a majority of the electors in the county voting on the
19 question of a tax approve the proposal as provided under subsection
20 (1), the tax levy is authorized. Not more than 2 elections may be
21 held in a calendar year on a proposal for a tax authorized under
22 this act.

23 Sec. 19. (1) The county election commission of the county
24 shall provide ballots for an election for a tax under section 17.

25 (2) An election for a tax must be conducted by the city and
26 township clerks and election officials of the municipalities
27 located within the county.

28 Sec. 21. (1) If an election for a tax under section 17 is to
29 be held in conjunction with a general election or a state primary

1 election, the notices of close of registration and election must be
2 published as provided for by the state election laws. Otherwise,
3 the county clerk of the county shall publish the notices of close
4 of registration and election. The notice of close of registration
5 must include the ballot language of the proposal.

6 (2) The board of county canvassers of the county shall canvass
7 the results of an election for a tax. The board of county
8 canvassers of the county shall make the final canvass of an
9 election for a tax based on the returns of the election inspectors
10 of the municipalities in that county. The board of county
11 canvassers of the county shall certify the results of the election
12 to the board of the authority.

13 Sec. 23. A tax authorized to be levied by an authority under
14 this act must be levied and collected at the same time and in the
15 same manner as provided by the general property tax act, 1893 PA
16 206, MCL 211.1 to 211.155.

17 Sec. 25. (1) Subject to subsection (2), within 10 business
18 days after the receipt of the funds from the local property tax
19 collecting unit for the tax levied under this act, the authority
20 shall transfer the funds, less the amount necessary to fund the
21 payment of obligations incurred by the authority in accordance with
22 this act and for other authority programs described in section 11,
23 to the history museum services provider.

24 (2) If a majority of the electors in the county voting on the
25 question of a tax as provided in section 17 approve the tax for the
26 first time, funds must not be transferred to the history museum
27 services provider until all necessary reimbursements under section
28 27 have been fulfilled.

29 Sec. 27. (1) If a majority of the electors in the county

1 voting on the question of a tax as provided in section 17 approve
2 the tax, the county clerk of the county shall charge the authority
3 and the authority shall reimburse the county for the actual costs
4 the county incurs in the election for the tax under section 17.

5 (2) If a municipality conducts the election and a majority of
6 the electors in the county voting on the question of a tax as
7 provided in section 17 approve the tax, the clerk of that
8 municipality shall charge the contracting history museum services
9 provider and the contracting history museum services provider shall
10 reimburse the municipality for the actual costs the municipality
11 incurs in conducting the election if the election is not held in
12 conjunction with a regularly scheduled election in that
13 municipality.

14 (3) If a majority of the electors in the county voting on the
15 question of a tax as provided in section 17 approve the tax, in
16 addition to costs reimbursed under subsection (1) or (2), a county
17 or municipality shall charge the contracting history museum
18 services provider and the contracting history museum services
19 provider shall reimburse the county or municipality for actual
20 costs that the county or municipality incurs that are exclusively
21 attributable to an election for a tax authorized under this act.

22 (4) The actual costs that a county or municipality incurs must
23 be based on the number of hours of work done in conducting the
24 election, the rates of compensation of the workers, and the cost of
25 materials supplied in the election.

26 Sec. 29. (1) A board shall obtain an annual audit of the
27 authority, and report on the audit and auditing procedures, in the
28 manner provided by sections 6 to 13 of the uniform budgeting and
29 accounting act, 1968 PA 2, MCL 141.426 to 141.433. The audit must

1 also be in accordance with generally accepted government auditing
2 standards as promulgated by the United States General Accounting
3 Office and must satisfy federal regulations relating to federal
4 grant compliance audit requirements.

5 (2) An authority shall prepare budgets and appropriations acts
6 in the manner provided by sections 14 to 19 of the uniform
7 budgeting and accounting act, 1968 PA 2, MCL 141.434 to 141.439.

8 (3) The state treasurer, the attorney general, a prosecuting
9 attorney, a bank, a certified public accountant, a certified public
10 accounting firm, or other person has the same powers, duties, and
11 immunities with respect to the authority as provided for local
12 units in sections 6 to 20 of the uniform budgeting and accounting
13 act, 1968 PA 2, MCL 141.426 to 141.440.

14 (4) If an authority ends a fiscal year in a deficit condition,
15 the authority shall file a financial plan to correct the deficit
16 condition in the same manner as provided in section 21(2) of the
17 Glenn Steil state revenue sharing act of 1971, 1971 PA 140, MCL
18 141.921.

19 (5) The board may authorize funds of the authority to be
20 invested or deposited on a temporary basis before being transferred
21 under section 25 in any investment or depository authorized under
22 section 1 of 1943 PA 20, MCL 129.91.

23 Enacting section 1. This act does not take effect unless all
24 of the following bills of the 102nd Legislature are enacted into
25 law:

26 (a) House Bill No. 5817.

27 (b) House Bill No. 5818.