

REGIONAL CONVENTION FACILITY AUTHORITY ACT (EXCERPT)
Act 554 of 2008

141.1365 Board member or officer, appointee, or employee of authority; discharge of duties; nonpartisan; reliance on certain opinions, reports, or statements; adoption of bylaws; personal liability; insurance; conflicts of interest; ethics manual; removal of board member from office; filing financial disclosure statement; rules; interest in or employment by entity after termination of board membership or employment.

Sec. 15.

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

(a) The opinion of counsel for the authority.

(b) The report of an independent appraiser selected by the 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.

(2) A board shall organize and make its own policies and procedures and shall adopt bylaws not inconsistent with this act governing its operations. The board shall meet at the call of the chairperson and as may be provided in the bylaws.

(3) A member of a board or an officer, appointee, or employee of an authority shall not be subject to personal liability when 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 a member of the board or an officer, appointee, or employee of the authority against liability arising out of the discharge of his or her official duties. An authority may indemnify and procure insurance indemnifying members of the board and other officers and employees of the authority 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. The authority also may purchase and maintain insurance on behalf of any person against any liability asserted against the person and incurred by the person in any capacity or arising out of the status of the person as a member of the board or an officer or employee of the authority, whether or 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.

(4) Board members and officers and employees of an authority are public servants subject to 1968 PA 317, MCL 15.321 to 15.330, and are subject to any other applicable law with respect to conflicts of interest. A board shall establish policies and procedures requiring periodic disclosure of relationships which may give rise to conflicts of interest. The board shall require that a board member or chief executive officer of the authority with a direct interest in any matter before the authority disclose the board member's or officer's interest and any reasons reasonably 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 board takes any action with respect to the matter. The disclosure shall become part of the record of an authority's proceedings.

(5) An authority shall establish an ethics manual governing the conducting of authority business and the conduct of authority officers and employees. An authority shall establish policies that are no less stringent than those provided for public officers and employees by 1973 PA 196, MCL 15.341 to 15.348, and coordinate efforts for the authority to preclude the opportunity for and the occurrence of transactions by the authority that would create a conflict of interest involving board members and officers or employees of the authority. At a minimum, the policies shall include compliance by each board member and officer or employees who regularly exercises significant discretion over the award and management of authority procurements with policies governing all of the following:

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

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

(c) Annual public financial disclosure of significant financial interests as provided under this act.

(6) The appointing authority of a board member may remove the board member from office for gross neglect of

duty, corrupt conduct in office, or any other misfeasance or malfeasance in office.

(7) Each member of the board of an authority, the chief executive officer, and each key employee as determined by the board shall file with the secretary of state a financial disclosure statement listing assets and liabilities, property and business interests, and sources of income of the member, chief executive officer, and each key employee and any of their spouses in a form determined by the secretary of state. The financial disclosure statement shall be under oath and shall be filed at the time of appointment or employment and annually thereafter. The secretary of state may promulgate rules under the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, to provide for the implementation of this subsection.

(8) A member of the board of an authority or employee of an authority shall not hold any direct or indirect interest in, be employed by, or enter into a contract for services with any entity doing business with the authority for a period of 2 years after the date his or her membership on the board terminates or his or her employment with the authority terminates.

History: 2008, Act 554, Eff. Jan. 20, 2009