SUBSTITUTE FOR

HOUSE BILL NO. 6088

A bill to amend 1986 PA 196, entitled

"Public transportation authority act,"

by amending sections 8, 18, and 29 (MCL 124.458, 124.468, and 124.479), sections 8 and 18 as amended by 2006 PA 175.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

Sec. 8. (1) ~~Except~~ **Subject to subsection (8), and except** as otherwise provided in ~~subsection (2),~~ **this section,** a political subdivision that is a member of a public authority or ~~the~~ **a** portion of a city, village, or township, ~~which~~ **if that** portion is a member of a public authority, may be released from membership in the public authority if all of the following conditions are met:

(a) Adoption of a resolution by a majority of the members elected to and serving on the legislative body of the political subdivision requesting release from membership.

(b) Acceptance of the request by a 2/3 vote of the members serving on the board of the public authority, excluding the members representing the political subdivision requesting release.

(c) Payment or the provision for payment is made regarding all obligations of the political subdivision to the public authority or its creditors.

(2) ~~Notwithstanding~~ **Subject to subsection (8), notwithstanding** subsection (1), ~~an entity that is~~ a political subdivision ~~and~~ **that** is a member of a public authority or ~~the~~ **a** portion of a city, village, or township, ~~which~~ **if that** portion is a member of a public authority, may be released from membership in the public authority if all of the following conditions are met:

(a) The entity desiring to withdraw from the authority has approved the question by a majority of the qualified and registered electors voting at a general or special election held in November before the expiration of a tax authorized to be levied under this act.

(b) Subject to subsection (6), a petition that bears the signatures of registered electors of the entity equal to at least 20% of the number of votes cast in the political subdivision or portion of a city, village, or township for all candidates for governor in the last general election in which a governor was elected and that requires the governing body of the entity by resolution to submit the question to its electors at the next general or special election is filed not less than 60 days before the election with the clerk of the entity presenting the question.

(c) The vote upon the question approving the resolution is by ballot and is in substantially the following form:

"Shall __________ (township, village, city, or other) as provided by 1986 PA 196 withdraw from the authority as a member?

Yes ____

No ____".

(d) All ballots are cast, canvassed, and the results of the election certified in the same manner as ballots on any other question submitted to the electors of the entity seeking withdrawal pursuant to the Michigan election law, 1954 PA 116, MCL 168.1 to 168.992.

(e) Payment or the provision for payment is made regarding all obligations of the political subdivision to the public authority or its creditors. If withdrawal is approved by a majority of the electors voting on the question, the decision will take effect at the expiration date of the tax and neither the authority nor officials of the political subdivision may appeal or amend this decision.

(3) ~~A~~ **Subject to subsection (8),** tax authorized to be levied by a public authority within the boundaries of the political subdivision or the portion of a political subdivision to be released shall continue to be levied for the period of time originally authorized and shall be paid over to the public authority originally authorized to be the recipient of the tax revenue. A political subdivision or portion of a political subdivision that has been released from an authority shall continue to receive transportation services from the authority until the political subdivision or portion of the political subdivision is no longer required to pay a tax levied by the authority.

(4) ~~Release~~ **Subject to subsection (8), the release** of a political subdivision or portion of a political subdivision from a

public authority shall be evidenced by an amendment to the articles of incorporation executed by the recording officer of a public authority and filed and published in the same manner as the original articles of incorporation.

(5) ~~A~~ **Subject to subsection (8), a** political subdivision or other entity that is part of a public authority under this act may withdraw from the public authority until the expiration of the thirtieth day following the date the public authority is incorporated or until the expiration of the thirtieth day after receiving notification under subsection (7), whichever is later, without meeting the conditions listed in subsection (1) or (2). If a public authority under this act has as a member a political subdivision that is part of a metropolitan statistical area, as defined by the United States department of commerce or a successor agency, and the metropolitan statistical area has a population of not less than 600,000 and not more than 1,500,000, a political subdivision or other entity that is part of the public authority may also withdraw from the public authority until the expiration of 30 days after the date on which the board of the public authority adopts a resolution calling for an election for the purpose of levying a tax pursuant to section 18, without meeting the conditions listed in subsection (1) or (2). If all or a portion of a city, village, or township is part of an authority incorporating as a public authority under this act, the city, village, or township may also decide to only withdraw a portion of the entity bounded by the lines described in section 4 from the public authority under the deadline established in this subsection. In addition, a political subdivision or other entity that is part of a public authority under this act may withdraw from the public

authority in any year in which a tax authorized to be levied under this act expires, without meeting the conditions listed in subsection (1) or (2), if the political subdivision or entity makes the determination to withdraw by a vote of its legislative body held in January of that year. Further, if all or a portion of a city, village, or township is part of an authority incorporating as a public authority under this act, the city, village, or township may also decide to only withdraw a portion of the entity bounded by the lines described in section 4 from the public authority in that same January. However, if a tax is authorized to be levied in a political subdivision or portion of a political subdivision by a public authority under this act and the political subdivision or portion of a political subdivision withdraws pursuant to this subsection, the tax shall continue to be levied in the political subdivision or portion of a political subdivision for the period of time originally authorized. A political subdivision or portion of a political subdivision that withdraws from the authority shall continue to receive public transportation services from the authority until the political subdivision or portion of the political subdivision is no longer required to pay a tax levied by the authority.

(6) ~~A~~ **Subject to subsection (8), a** petition under subsection (2), including the circulation and signing of the petition, is subject to section 488 of the Michigan election law, 1954 PA 116, MCL 168.488. A person who violates a provision of the Michigan election law, 1954 PA 116, MCL 168.1 to 168.992, applicable to a petition described in subsection (2) is subject to the penalties prescribed for that violation in the Michigan election law, 1954 PA 116, MCL 168.1 to 168.992.

(7) ~~An~~ **Subject to subsection (8), an** authority that forms under this act on or after May 1, 2006 shall notify all political subdivisions or portions of any city, village, or township that are included in the authority that the political subdivision or portion of the political subdivision is included in the authority. The authority shall include in this notification notice of the right to withdraw from the authority under this section. The political subdivision or portion of the political subdivision that is notified has 30 days after receiving the notification to withdraw from the authority pursuant to subsection (5).

(8) Subsections (1) to (7) do not apply to a political subdivision within a county with a population of 1,100,000 or more that has a public transit authority under this act after that county's public transportation millage in effect on the effective date of the amendatory act that added this subsection expires.

(9) For a county that has a population of 1,100,000 or more and a public transit authority under this act, regardless of whether each political subdivision in the county is a member of the county's public transit authority before the effective date of the amendatory act that added this subsection, all political subdivisions within that county shall become a member of that county's public transit authority after that county's public transportation millage in effect on the effective date of the amendatory act that added this subsection expires.

Sec. 18. (1) A public authority formed under this act may levy a tax on all of the taxable property within the limits of the public authority for public transportation purposes as authorized by this act.

(2) The tax authorized in subsection (1) shall not exceed 5

mills of the state equalized valuation on each dollar of assessed valuation of taxable property within the limits of the applicable public authority.

(3) The tax authorized under subsection (1) shall not be levied except upon the approval of a majority of the registered electors residing in the public authority affected and qualified to vote and voting on the tax at a general or special election. The election may be called by resolution of the board of the public authority. The recording officer of the public authority shall file a copy of the resolution of the board calling the election with the clerk of each affected county, city, or township not less than 60 days before the date of the election. The resolution calling the election shall contain a statement of the proposition to be submitted to the electors. Each county, city, and township clerk and all other county, city, and township officials shall undertake those steps to properly submit the proposition to the electors of the county, city, and township at the election specified in the resolutions of the public authority. The election shall be conducted and canvassed in accordance with the Michigan election law, 1954 PA 116, MCL 168.1 to 168.992, except that if the public authority is located in more than 1 county, the election shall be canvassed by the state board of canvassers. The results of the election shall be certified to the board of the public authority promptly after the date of the election. Not more than 1 election may be held in a public authority in a calendar year for approval of the tax authorized under subsection (1). If the election is a special election, the public authority in which the election is held shall pay its share of the costs of the election.

(4) ~~Except as otherwise provided in this subsection, the~~ **The**

taxes authorized by this section may be levied at a rate and for a ~~period of not more than 5~~ **number of** years as determined by the public authority in the resolution calling the election and as set forth in the proposition submitted to the electors. ~~Taxes may be levied at a rate and for a period of not more than 25 years as determined by the public authority in the resolution calling the election and as set forth in the proposition submitted to the electors if the public authority seeking the levy is seeking the levy for public transit services that include a fixed guideway project authorized under 49 USC 5309.~~

(5) The tax rate authorized by this section shall be levied and collected as are all ad valorem property taxes in ~~the~~ **this** state and the recording officer of the public authority shall at the appropriate times certify to the proper tax assessing or collecting officers of each tax collecting county, city, and township the amount of taxes to be levied and collected each year by each county, city, and township. Consistent with subsection (6), the board of the public authority shall determine on which tax roll, if there ~~be~~ **is** more than 1, of each county, city, or township that the taxes authorized by this section shall be collected. Each tax assessing and collecting officer and each county treasurer shall levy and collect the taxes certified by the public authority and pay those taxes to the public authority by the time provided in section 43 of the general property tax act, 1893 PA 206, MCL 211.43. The tax rate authorized by this section may be first levied by the public authority as a part of the first tax roll of the appropriate counties, cities, and townships occurring after the election described in subsection (3). The tax may be levied and collected on the July or December tax roll next following the date

of election, if the tax is certified to the proper tax assessing officials not later than May 15 or September 15, respectively, of the year in which the election is held.

(6) A public authority ~~which~~ **that** is authorized to impose a July property tax levy and ~~if it~~ **that** determines to do so ~~, it~~ shall negotiate agreements with the appropriate cities and townships for the collection of that levy. If a city or township and the public authority fail to reach an agreement for the collection by the city or township of the July property tax levy of the public authority, the public authority then may negotiate, until April 1, a proposed agreement with the county treasurer to collect its July property tax levy against property located in that city or township. If the county treasurer and the public authority fail to reach an agreement for the collection by the county of the July property tax levy of the public authority, the July property tax levy shall be collected with the December property tax levy. Any agreement negotiated under this subsection shall guarantee the collecting unit its reasonable expenses. ~~The provisions of this~~ **This** subsection ~~shall~~ **does** not apply to a city or township ~~which~~ **that** is levying a July property tax.

(7) If, pursuant to subsection (6), the public authority has reached a proposed agreement with a county treasurer on the collection of its July property tax levy against property located in a city or township with which an agreement to collect this levy could not be made pursuant to subsection (6), the public authority shall notify by April 15 that city or township of the terms of that ~~fact~~ **agreement** and the city or township shall have 15 days in which to exercise an option to collect the public authority's July property tax levy.

(8) Collection of all or part of a public authority's property tax levy by a treasurer pursuant to subsection (6) or (7) shall comply with all of the following:

(a) Collection shall be either 1/2 or the total of the property tax levy against the properties, as specified for that year in the resolution of the public authority.

(b) The amount the public authority has agreed to pay as reasonable collection expenses shall be stated in writing and reported to the state treasurer.

(c) Taxes authorized to be collected shall become a lien against the property on which **the taxes are** assessed, and due from the owner of that property, on July 1.

(d) Taxes shall be collected on or before September 14 and all taxes and interest imposed pursuant to subdivision (f) unpaid before March 1 shall be returned as delinquent on March 1. Taxes delinquent under this subdivision shall be collected pursuant to the general property tax act, 1893 PA 206, MCL 211.1 to ~~211.157.~~ **211.155.**

(e) Interest shall be added to taxes collected after September 14 at that rate imposed by section 59 of the general property tax act, 1893 PA 206, MCL 211.59, on delinquent property tax levies ~~which~~ **that** became a lien in the same year.

(f) All or a portion of fees or charges, or both, authorized under section 44 of the general property tax act, 1893 PA 206, MCL 211.44, may be imposed on taxes paid before March 1 and shall be retained by the treasurer actually performing the collection of the July property tax levy of the public authority, regardless of whether all or part of these fees or charges, or both, have been waived by the township or city.

(9) An agreement for the collection of a July property tax levy of a public authority with a county treasurer shall include a schedule for delivering collections to the public authority.

(10) To the extent applicable and consistent with the requirements of this section, the general property tax act, 1893 PA 206, MCL 211.1 to ~~211.157,~~ **211.155**, shall apply to proceedings in relation to the assessment, spreading, and collection of taxes pursuant to this section. Additionally, in relation to the assessment, spreading, and collection of taxes pursuant to this section, the county treasurer shall have powers and duties similar to those prescribed by the general property tax act, 1893 PA 206, MCL 211.1 to ~~211.157,~~ **211.155**, for township supervisors, township clerks, and township treasurers. However, this section ~~shall~~ **does** not ~~be considered to~~ transfer any authority over the assessment of property.

(11) If a county treasurer collects the July property tax levy of the public authority, the township or city shall deliver by June 1 a certified copy of the assessment roll containing state equalized valuations for each parcel of taxable property in the township or city to the treasurer collecting the July property tax levy of the public authority. The county treasurer receiving this certified copy of the assessment roll shall remit the necessary cost incident to the reproduction of the assessment roll to the township or city.

(12) A county treasurer collecting taxes pursuant to this section shall be bonded for tax collection in the same amount and in the same manner as a township treasurer would be for undertaking the duties prescribed by this section.

(13) An agreement for the collection of a July property tax

levy between a public authority and a county may cover July collections for 2 years. If an agreement covers July collections for 2 years, the notice required by subsection (7) and the option to reconsider provided by subsection (7) shall not apply for July collections in the second year.

(14) If collections are made pursuant to this section by a county treasurer, all payments from a public authority for collecting its July property tax levy and all revenues generated from collection fees shall be deposited, when received or collected, in a fund ~~, which fund~~ **that** shall be used by the county treasurer to pay for the cost of collecting the public authority's July property tax levy.

Sec. 29. **(1)** ~~Notwithstanding~~ **Before the effective date of the amendatory act that added subsection (2), and notwithstanding** any other provision of this act, a political subdivision may obligate itself financially for a period over 5 years from the date the obligation is undertaken only if approved by majority vote of the electorate of the political subdivision.

(2) Beginning on the effective date of the amendatory act that added this subsection, subsection (1) does not apply.