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**SFA**



**BILL ANALYSIS**

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Senate Bill 1136 (as introduced 5-19-98)  
Sponsor: Senator Michael J. Bouchard  
Committee: Financial Services

Date Completed: 5-20-98

## **CONTENT**

**The bill would amend the Metropolitan Council Act to provide for the establishment of metropolitan region councils to develop or enhance “regional cultural institutions” and local recreational and cultural facilities within counties that participated in a council. A metropolitan region council could levy a property tax, with voter approval, and would have to spend net revenues on cultural and recreational programs and facilities.** The bill is tie-barred to House Bill 5796, which would amend the Metropolitan Council Act to provide for the establishment of a “metropolitan arts and recreation council” that could be formed with a “metropolitan district” (i.e., a metropolitan statistical area with at least two State public universities).

Under Senate Bill 1136, “metropolitan region” would mean a metropolitan statistical area with a population of 1.5 million or more people according to the most recent Federal decennial census.

“Regional cultural institution” would mean a structure, fixture, or activity provided by a tax-exempt entity that had been in existence for at least 18 consecutive months before becoming eligible for funding under the bill. “Regional cultural institution” could include a zoo; science center, regardless of whether it was affiliated with a private educational institution; a public broadcast station, regardless of whether it was affiliated with an institution of higher education; a museum, regardless of whether it was affiliated with a private educational institution; a historical center; a performing arts center; a visual or performance art instruction center affiliated with an independent institution of higher education in the arts; an orchestra; chorus; chorale; or opera theater. “Regional cultural institution” would not include a professional sports arena or stadium; labor organization; political organization; library; public,

private, or charter school; or an exhibition, performance, or presentation that was obscene.

### Metropolitan Region Council

Under the bill, two or more counties could combine with one another and with one or more “qualified cities” within those counties to form a metropolitan region council. (“Qualified city” would mean a city that was located in a participating county and that owned two or more regional cultural institutions.) A metropolitan region council could be established solely to develop or enhance regional cultural institutions and local recreation and cultural facilities within the geographic boundaries of counties participating in the council.

The county commission of each county seeking to participate and the city council of each qualified city seeking to participate would have to adopt a resolution declaring an intent to participate in the formation of the council and adopt articles of incorporation pursuant to the bill.

Upon adoption of the resolutions, the participating counties and qualified cities of a metropolitan region council would have to establish a metropolitan region council board. The chief executive officer of each participating county and qualified city would have to appoint three representatives to the board, with the advice and consent of the county’s or city’s legislative body. If a participating county had a population of more than 2 million people, however, a representative could be appointed by each of the three largest geographical conferences established in the county before January 1, 1999, under the Urban Cooperation Act.

A metropolitan region council would be a public corporate body, with power to sue and be sued in

any State court. A council also would be an authority under Section 6 of Article IX of the State Constitution.

A metropolitan region council would possess all the powers necessary for carrying out the purposes of its formation. The enumeration of specific powers in the bill could not be construed as a limitation on the council's general powers, consistent with its articles of incorporation.

#### Articles of Incorporation

A metropolitan region council's articles of incorporation would have to state all of the following:

- The council's name and the names of the participating local governmental units.
- The purposes for which the council was formed.
- The powers, duties, and limitations of the council and its officers.
- The qualifications, method of selection, and terms of office of delegates sitting on the council and of the council officers.
- The manner in which participating local governmental units would take part in the council's governance.
- The general method of amending the articles of incorporation.
- The method of amending the articles to reflect the addition of a local governmental unit.
- The method of amending the articles to reflect a change in the distribution of funds among regional cultural institutions, which would require the adoption of a resolution by at least a two-thirds vote of the delegates serving on the council, including at least one delegate from each participating county and qualified city.
- Any other matters that the participating local governmental units considered advisable.

A metropolitan region council's articles of incorporation could authorize the metropolitan region council to exercise the taxing powers of a metropolitan council under the Act. (The Act specifies that the articles of incorporation of a metropolitan council (as opposed to the bill's metropolitan region council) may authorize the metropolitan council to levy on all the taxable real and personal property within the council area an ad valorem tax of up to one-half of a mill on the State equalized valuation on each dollar of assessed valuation of taxable property.) Articles of a

metropolitan region council that authorized taxing authority, however, would have to specify that, as a condition of proceeding with the levying of taxes, the county commission of each county participating in the metropolitan region council would have to place on a countywide ballot a proposal for levying the taxes.

The articles of a metropolitan region council would have to be adopted and could be amended by an affirmative vote of a majority of the members elected to and serving on the legislative body of each participating local governmental unit. The articles would have to authorize each local governmental unit within the metropolitan region to receive up to one-third of any net revenues collected within that local unit from the millage levy authorized under the bill. The net revenues allocated would have to be spent to fund cultural and recreational programs and facilities. A participating county with a population of more than 2 million, however, could not receive any net revenues collected within that county from the millage levy authorized under the bill. Instead, one-third of the net revenues collected in each city, village, or portion of a township that was not incorporated as a city or village would be retained by that city, village, or township portion, and those net revenues would have to be spent by the affected municipalities to fund cultural and recreational programs and facilities.

Before articles of incorporation were adopted by any participating local governmental unit, the articles would have to be published by the clerk of each participating county. The clerk would have to publish the articles or amendments at least once in a newspaper generally circulated within the participating county. The adoption of articles by the legislative body of a local unit would have to be evidenced by an endorsement on the articles by the clerk of the local unit in a form specified in the bill. Upon adoption of the articles, the clerk of each participating county would have to file a printed copy of them with the Secretary of State and each participating county.

#### Expansion

A local governmental unit in a metropolitan region could be added to a council in that region, upon satisfaction of all of the following:

- A majority of the members elected to and serving on the local unit's legislative body voted to adopt a resolution stating that the local unit desired to be added to the council

and that it accepted the requirements of the articles as amended to reflect the local unit's addition.

- If there were a tax levied by the metropolitan region council and the local unit were a county, the tax was authorized by a majority of the county's electors voting on the proposal.
- The articles were amended to reflect the addition of the local unit.

Upon addition of a local unit to a metropolitan region council, a printed copy of the amended articles would have to be filed with the Secretary of State and each participating county by the clerk of the local unit added to the council.

#### Withdrawal

A county participating in a metropolitan region council under the bill could withdraw from membership in the council if both of the following conditions were met:

- A majority of the members elected to and serving on the legislative body of the county adopted a resolution requesting withdrawal.
- Payment or the provision of payment was made regarding any obligations of the county to the council or its creditors.

Withdrawal of a county from a metropolitan region council would have to be evidenced by an amendment to the articles executed by the secretary or, if the council had no secretary, by the chairperson of the council, and filed and published in the same manner as the original articles.

#### Operation of Council

A metropolitan region council would have to have a chairperson, who would act as principal executive officer and preside at the council's meetings. Meeting times and places would have to be fixed by the council and special meeting could be called by a majority of the delegates on the council or by the chairperson. The chairperson would have the powers and duties provided for in the council's articles of incorporation.

In addition to the chairperson, a metropolitan region council would be required to have other officers as provided in the articles. The chairperson and other officers would have to be elected by the council and would have to be council delegates. A secretary and treasurer, however, would not have to be council delegates.

If provided in its articles, a council could appoint an executive director to serve at the council's pleasure as the principal administrator for the council. The director could not be a delegate, would have to be selected on the basis of training and experience, and would have the powers and duties provided in the council bylaws.

If specifically provided by law, a metropolitan region council could make appointments to other governmental agencies.

A metropolitan region council would serve without compensation, but, upon approval of a majority of delegates serving, could be reimbursed for actual and necessary expenses incurred in the performance of the council's official duties.

A metropolitan region council would have to prepare annually a budget that provided as a separate account anticipated expenditures for per diem compensation and expense reimbursement for the chairperson and other council delegates. Compensation or reimbursement would have to be paid to the chairperson and other council delegates only if budgeted.

A metropolitan region council's articles of incorporation would have to specify the maximum amount or percentage of revenues received under the bill that the council could authorize to be spent annually for administrative costs incurred. Additionally, the articles would have to authorize the council to provide funding, supplemental to funding received from other sources, for regional cultural institutions located within the metropolitan region that the council served. A metropolitan region council could not spend money collected under a tax levy authorized by the bill, however, unless the specific expenditure were included in the council's annual budget, expressly authorized in the council's articles, or unless the expenditure were approved by an affirmative vote of a majority of the council's delegates.

A metropolitan region council could establish divisions, bureaus, and committees, including advisory committees. Members of advisory committees would serve without compensation but could be reimbursed for their reasonable expenses as determined by the council.

A metropolitan region council could adopt bylaws for the council's administration.

Proposed MCL 124.693 et al.

Legislative Analyst: P. Affholter

**FISCAL IMPACT**

Local units in a metropolitan statistical area with a population of 1,500,000 or more people that established a metropolitan region council could levy up to 0.5 mill if authorized by the majority of the votes cast in each participating county or city. If budgeted, compensation and expenses for the chairperson and the council delegates would be paid; otherwise, if approved by a majority of the council delegates, only expenses would be reimbursed. Additional costs could be incurred if advisory committees or nondelegate positions, such as a secretary or treasurer, were filled. Local units in the metropolitan region and outside of Wayne County would receive up to one-third of any net revenues collected within that local unit to spend on cultural and recreational programs and facilities. Local units within Wayne County, except for Wayne County, and in the metropolitan region would receive one-third of any net revenues collected within that local unit to spend on cultural and recreational programs and facilities.

Fiscal Analyst: R. Ross

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.