

SENATE BILL NO. 778

October 30, 1997, Introduced by Senators V. SMITH, O'BRIEN, VAUGHN and PETERS and referred to the Committee on Local, Urban and State Affairs.

A bill to authorize municipalities to collect delinquent property taxes and other delinquent assessments and charges by selling the liens related to delinquent property taxes and other delinquent assessments and charges; to authorize municipalities to establish procedures for collecting delinquent taxes and enforcing tax liens; to authorize the imposition of fees, charges, interest, and penalties upon delinquent property taxes and other delinquent assessments and charges; to authorize municipalities to create certain entities or to utilize certain existing entities to facilitate the sale and purchase of liens related to delinquent property taxes and other delinquent assessments and charges; to authorize municipalities to issue certain obligations secured by liens related to delinquent property taxes and other delinquent assessments and charges; to provide for the issuance of, and terms and conditions for, obligations secured by liens

related to delinquent property taxes and other delinquent assessments and charges; and to exempt the property, income, operation bonds, notes, and interest on bonds and notes of certain entities from certain taxes.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. The legislature finds and declares all of the
2 following:

3 (a) Certain municipalities are owed millions of dollars
4 annually in unpaid property taxes and other assessments and
5 charges.

6 (b) Uncollected property taxes and other assessments and
7 charges adversely impact the municipalities' ability to timely
8 collect the revenues necessary to meet their operating expendi-
9 tures, to provide for the delivery of necessary local government
10 services, and to finance public improvements to foster economic
11 growth and development, amplifying the risk of future property
12 tax and assessment increases and negatively impacting those per-
13 sons who timely remit payment.

14 (c) Limited means exist for municipalities to expedite the
15 collection of delinquent taxes and other assessments and charges
16 and, as a result, delinquent taxes and other assessments and
17 charges often remain unpaid, creating a lien against the affected
18 property.

19 (d) The sale of tax liens for delinquent taxes and other
20 assessments and charges will enable municipalities to expedite
21 the receipt of anticipated revenues and provide a funding source

1 that will enable municipalities to more effectively carry out
2 their public purposes.

3 (e) This state should exercise its power in the interest of
4 its municipalities to facilitate the sale and purchase of tax
5 liens by authorizing municipalities to utilize existing entities
6 of municipalities, or to authorize municipalities to create an
7 instrumentality, an authority, a trust, or other single purpose
8 entity, having full powers to borrow money and to issue its
9 bonds, notes, certificates of participation, or other obliga-
10 tions, to make funds available to municipalities through the
11 facilities of that instrumentality, authority, trust, or entity
12 by the purchase through that instrumentality, authority, trust,
13 or entity of the delinquent tax liens created and held by munici-
14 palities, and by granting broad powers to that instrumentality,
15 authority, trust, or entity to accomplish and to carry out the
16 policies of this state that are in the public interest of this
17 state and of the taxpayers and residents of this state.

18 Sec. 2. It is the purpose of this act to do all of the
19 following:

20 (a) Empower certain municipalities to sell or securitize
21 delinquent tax liens to enable them to better collect delinquent
22 property taxes and other delinquent assessments and charges.

23 (b) Enhance revenue in certain municipalities.

24 (c) Encourage the return of property to productive uses in
25 certain municipalities.

26 (d) Enhance and revitalize the business, commerce, and
27 neighborhoods within certain municipalities.

1 Sec. 3. This act shall be known and may be cited as the
2 "Michigan tax lien sale and collateralized securities act".

3 Sec. 4. As used in this act:

4 (a) "Authority" means an authority created under section
5 11.

6 (b) "Incorporating unit" means a municipality described in
7 section 5.

8 (c) "Purchase and sale agreement" means an agreement between
9 a municipality and a tax lien entity or third party pursuant to
10 section 6.

11 (d) "Tax lien" means an interest in or encumbrance on real
12 or personal property, whether or not evidenced by a written
13 instrument, imposed pursuant to law or by judgment, that relates
14 to any of the following:

15 (i) Unpaid ad valorem property taxes levied on real or per-
16 sonal property.

17 (ii) An unpaid special ad valorem levy, special assessment,
18 or user fee or charge.

19 (iii) Any lien imposed by a municipality for unpaid rates
20 and charges for services, including, but not limited to, water,
21 sewer, electricity, and demolition services.

22 (iv) Any other charge imposed on real property by or on
23 behalf of a municipality or collected by a municipality on behalf
24 of any other municipal corporation, including a school district
25 of the municipality, a municipal corporation, or special
26 district.

1 Tax lien includes all interest, penalties, charges, and
2 surcharges imposed pursuant to law, municipal charter, or an
3 ordinance authorized by municipal charter.

4 (e) "Tax lien collateralized securities" means bonds, notes,
5 or other obligations issued by a municipality or a tax lien
6 entity of the municipality, the repayment of which is secured by
7 tax liens and any other funds, property, or security pledged for
8 repayment. Tax lien collateralized securities include certifi-
9 cates of participation or similar securities evidencing an owner-
10 ship in the tax liens.

11 (f) "Tax lien entity" means 1 or more of the following:

12 (i) An authority, trust, or other single purpose entity cre-
13 ated by a municipality or in which a municipality holds a benefi-
14 cial ownership interest, to purchase tax liens from the munici-
15 pality or to issue tax lien collateralized securities in antici-
16 pation of the collection of tax liens.

17 (ii) An economic development corporation established under
18 the economic development corporations act, 1974 PA 338, MCL
19 125.1601 to 125.1636.

20 Sec. 5. A municipality that is a home rule city under 1909
21 PA 279, MCL 117.1 to 117.38, that collects ad valorem taxes on
22 behalf of a first class school district whose boundaries are
23 coterminous with the boundaries of the home rule city and that
24 does not return delinquent ad valorem taxes to the county trea-
25 surer in the county in which the home rule city is situated may
26 do any of the following:

1 (a) Make and execute contracts and any other instruments
2 necessary or convenient for the purposes of this act, including a
3 purchase and sale agreement entered into pursuant to section 6.

4 (b) By charter, ordinance, or resolution establish proce-
5 dures for collecting delinquent taxes and enforcing tax liens and
6 establish, revise, charge, and collect fees, charges, interest,
7 and penalties, including, but not limited to, reimbursement of
8 all costs of financing and collection by a municipality or a tax
9 lien entity of the municipality, including attorney's fees and
10 service charges.

11 (c) Establish, create, form, control, or own a beneficial
12 ownership interest in 1 or more trusts or other single purpose
13 entities to facilitate the purchase of tax liens and the issuance
14 of tax lien collateralized securities.

15 (d) Sell or contract to sell, at public or private sale, tax
16 liens, singly, in bulk, or in groups and to enter into advance
17 commitments with a tax lien entity or third party for the sale of
18 tax liens pursuant to section 6 for any portion of the amount
19 owed with respect to the tax liens.

20 (e) Make and execute contracts for professional services to
21 service or collect tax liens sold by the municipality or acquired
22 by a tax lien entity of the municipality or to service tax lien
23 purchase and sale agreements, including, but not limited to,
24 attorneys, financial advisors, accountants, or due diligence
25 providers.

26 (f) Subject to any agreement with the holders or owners of
27 tax lien collateralized securities, modify the time of payment,

1 interest, penalties, or fees of a tax lien owned by the
2 municipality or a tax lien entity of the municipality, or of any
3 other contract or agreement to which the municipality is a
4 party.

5 (g) Establish terms and provisions for the sale of tax liens
6 by the municipality to a tax lien entity of the municipality or
7 to a third party including, but not limited to, all of the
8 following:

9 (i) The price for tax liens, which may be at par, premium,
10 or discount and payable in cash, noncash consideration, or no
11 consideration.

12 (ii) The classes of property determined by the municipality
13 to be sold to a tax lien entity of the municipality.

14 (iii) The covenants, representations, and warranties to be
15 made by the municipality with respect to the tax liens.

16 (iv) The determination of rights of substitution and removal
17 of tax liens previously sold.

18 (v) The establishment of the sale date.

19 (vi) Subject to the terms of the tax liens purchased, provi-
20 sions regarding redemption or payment prior to the stated redemp-
21 tion date.

22 (vii) Any other matters that the municipality determines to
23 be necessary, desirable, or advisable.

24 (h) Establish terms and provisions for a tax lien purchase
25 and sale agreement, including any terms for payment and any other
26 matters that the municipality determines to be necessary,
27 desirable, or advisable.

1 (i) Pledge or assign as security on a priority or
2 subordinate basis for any tax lien collateralized securities any
3 tax liens, money, funds, tax lien purchase and sale agreements,
4 assets, or revenue of the municipality or a tax lien entity of
5 the municipality.

6 Sec. 6. (1) A municipality described in section 5 or a tax
7 lien entity of the municipality by resolution of the governing
8 body of the municipality or the tax lien entity of the municipal-
9 ity may enter into 1 or more purchase and sale agreements for the
10 sale of tax liens by the municipality and the purchase of the tax
11 liens by a tax lien entity of the municipality or a third party.
12 A purchase and sale agreement shall, consistent with this act,
13 contain those terms, provisions, and conditions that the munici-
14 pality or a tax lien entity of the municipality considers neces-
15 sary or desirable. A resolution authorizing 1 or more purchase
16 and sale agreements may delegate to the chief financial officer
17 of the municipality the power to enter into purchase and sale
18 agreements and fix the details of any purchase and sale agreement
19 by an appropriate certificate of the authorized chief financial
20 officer. Each sale of tax liens by a municipality pursuant to a
21 purchase and sale agreement is a true sale for all purposes of
22 state law, without recourse to the municipality for uncollectible
23 tax liens. Each purchase and sale agreement shall specify the
24 amount to be made available to the municipality from the sale,
25 which may be more or less than the face amount of the tax liens
26 purchased by a tax lien entity of the municipality or a third
27 party, and any other amounts that may be made available to the

1 municipality on a contingent basis under the terms of the
2 purchase and sale agreement. A purchase and sale agreement may
3 require a municipality, subject to appropriation by the governing
4 body of the municipality, to provide for the payment of other
5 fees, charges, costs, or other amounts that the municipality
6 determines to be necessary or desirable to facilitate the
7 transaction.

8 (2) A purchase and sale agreement entered into pursuant to
9 subsection (1) shall provide that any obligation of the munici-
10 pality to fund or pay the amounts provided in the purchase and
11 sale agreement is not a debt of the municipality within the mean-
12 ing of any constitutional, statutory, or charter provision and is
13 executory only to the extent of money available, that the munici-
14 pality incurs no liability beyond the money available for that
15 purpose, and that any payment obligation of a municipality, other
16 than the timely payment of any money collected by it and due to
17 the municipality or a tax lien entity of the municipality as a
18 result of the redemption of tax liens that are the subject of the
19 purchase and sale agreement, is subject to appropriation by the
20 governing body of the municipality.

21 (3) A resolution authorizing a purchase and sale agreement
22 may require that the municipality establish reserves from the
23 proceeds of the sale of tax liens, to the extent that a portion
24 of the proceeds represents future general fund receipts necessary
25 for future general fund purposes. A resolution may also estab-
26 lish separate funds for the deposit of portions of the proceeds
27 of the sale of tax liens, which funds may be specifically

1 designated for certain economic development projects of the
2 municipality or for other lawful purposes, subject to appropria-
3 tion of the governing body of the municipality.

4 Sec. 7. (1) A municipality may agree to any of the follow-
5 ing in a purchase and sale agreement entered into pursuant to
6 section 6:

7 (a) To make all covenants, representations, and warranties
8 with respect to the tax liens sold necessary to effectuate the
9 sale of those tax liens and to facilitate the marketing of tax
10 lien collateralized securities issued by the municipality or a
11 tax lien entity of the municipality.

12 (b) To accept a note or other instrument issued by a tax
13 lien entity of the municipality or a third party evidencing any
14 contingent amounts payable under the terms of the purchase and
15 sale agreement.

16 (2) In connection with the sale or proposed sale of tax
17 liens to a tax lien entity of the municipality, a municipality
18 may pay 1 or more of the following charges:

19 (a) Fixed or annual charges prescribed by the municipality
20 for or with respect to the purchase of tax liens by a tax lien
21 entity of the municipality.

22 (b) All charges or expenses necessary to convert or recon-
23 vert any tax lien into a form required by the municipality in
24 connection with any sale or other disposition of the tax lien.

25 (3) A tax lien entity of a municipality has all of the
26 rights provided by law to the municipality to enforce and collect
27 amounts secured by a tax lien purchased by the tax lien entity

1 from the municipality. A tax lien held by a tax lien entity of a
2 municipality is a preferred or first claim upon the property in
3 the same manner as if the tax lien were held by the
4 municipality.

5 (4) A municipality or a tax lien entity of a municipality
6 may purchase any tax lien for delinquent taxes, charges, assess-
7 ments, penalties, interest, or fees that is subject to collection
8 by a county treasurer if the property subject to a tax lien being
9 collected by a county treasurer is also subject to a tax lien
10 being collected by the municipality or a tax lien entity of the
11 municipality. A purchase of a tax lien under this subsection may
12 be made before or after tax sale by the county. Upon purchase,
13 the municipality or the tax lien entity of the municipality that
14 purchased the tax lien pursuant to this subsection may enforce
15 the tax lien purchased in any manner in which the municipality or
16 the tax lien entity of the municipality is authorized to use to
17 enforce a tax lien subject to collection by the municipality.
18 After purchase, the portion of the tax lien purchased pursuant to
19 this subsection that represents delinquent taxes, charges, and
20 assessments is subject to interest and penalties at the same rate
21 as that imposed by the municipality for delinquent taxes,
22 charges, and assessments subject to collection by the
23 municipality.

24 Sec. 8. (1) A municipality or a tax lien entity of a munic-
25 ipality may by resolution of its governing body, without a vote
26 of the electors in the municipality, authorize and issue tax lien

1 collateralized securities in anticipation of the collection on
2 tax liens for any of the following purposes:

3 (a) To purchase tax liens, including tax liens purchased
4 pursuant to section 7(4).

5 (b) To refund outstanding tax lien collateralized securities
6 of the municipality or a tax lien entity of the municipality.

7 (c) Establish reserves to secure tax lien collateralized
8 securities.

9 (d) Payment of capitalized interest, if any.

10 (e) Payment of any of the following:

11 (i) A letter of credit, bond insurance, or other credit and
12 liquidity support facility fees, premiums, reimbursements, and
13 expenses.

14 (ii) Fees and expenses of trustees and paying agents.

15 (iii) Other financing and issuance costs.

16 (iv) All other expenditures of the municipality or a tax
17 lien entity of the municipality incident to and necessary or con-
18 venient to the sale and purchase of tax liens and the issuance of
19 the tax lien collateralized securities.

20 (2) Except as otherwise expressly provided by the municipal-
21 ity, all tax lien collateralized securities issued by the munici-
22 pality or a tax lien entity of the municipality are special
23 limited obligations of the municipality or the tax lien entity of
24 the municipality, payable only from the redemption, payment, or
25 other satisfaction of the tax liens purchased or the liquidation
26 of the related real property, other collateral, or credit
27 enhancement agreements pledged to secure the tax lien

1 collateralized securities, subject to any agreements pledging any
2 particular money, assets, or revenues of the municipality or a
3 tax lien entity of the municipality. The tax lien collateralized
4 securities may be secured by past, present, and future tax liens
5 as designated by the municipality or the tax lien entity issuing
6 the tax lien collateralized securities.

7 (3) Tax lien collateralized securities shall be authorized
8 without a vote of the electors of the municipality by resolution
9 of the governing body of the municipality or a tax lien entity of
10 the municipality as provided in this act. A resolution authoriz-
11 ing the issuance of tax lien collateralized securities may dele-
12 gate to the chief financial officer of the municipality the power
13 to issue the tax lien collateralized securities and to establish
14 the details of any issue of tax lien collateralized securities by
15 an appropriate certificate of the authorized chief financial
16 officer.

17 (4) A resolution authorizing the issuance of tax lien col-
18 lateralized securities or the certificate of the authorized chief
19 financial officer of the municipality shall establish all of the
20 following:

21 (a) The date or dates of issue.

22 (b) The maturity date or dates.

23 (c) The interest rate or rates, which may be on a fixed or
24 variable rate basis.

25 (d) The denominations.

26 (e) The form and registration privileges.

1 (f) Manner of execution.

2 (g) Provide that the tax lien collateralized securities are
3 payable in lawful money of the United States at a place or places
4 within or without the state.

5 (h) Terms of redemption prior to maturity.

6 (i) Any other terms provided by the authorizing resolution.

7 (5) Tax lien collateralized securities and related tax lien
8 purchase and sale agreements shall not be required to be reviewed
9 by any state agency, department, or bureau and are not subject to
10 the provisions of the municipal finance act, 1943 PA 202, MCL
11 131.1 to 139.3.

12 (6) A tax lien collateralized security of the municipality
13 or a tax lien entity of the municipality may be sold at public or
14 private sale upon terms and at prices and discounts determined by
15 the municipality or the tax lien entity. The municipality or a
16 tax lien entity of the municipality may pay all expenses, premi-
17 ums, and commissions necessary or advantageous in connection with
18 the issuance and sale of the tax lien collateralized security.

19 (7) Whether or not tax lien collateralized securities are of
20 a form and character as to be negotiable instruments under the
21 terms of the uniform commercial code, 1962 PA 174, MCL 440.1101
22 to 440.11102, tax lien collateralized securities are hereby made
23 negotiable instruments within the meaning of and for all the pur-
24 poses of the uniform commercial code, 1962 PA 174, MCL 440.1101
25 to 440.11102, subject only to the provisions of the tax lien col-
26 lateralized securities for registration.

1 (8) A resolution authorizing tax lien collateralized
2 securities of the municipality or of a tax lien entity of a
3 municipality may contain the following provisions that may be a
4 part of the contract with the holders of tax lien collateralized
5 securities:

6 (a) Pledging or creating a lien on all or any part of any
7 money or assets of the municipality and a tax lien entity of the
8 municipality or of any money held in trust or by others for the
9 payment of the tax lien collateralized securities.

10 (b) Providing for the custody, collection, securing, invest-
11 ment, and payment of any money of the municipality or a tax lien
12 entity of the municipality.

13 (c) Setting aside reserves or sinking funds and regulating
14 or disposing of reserves or sinking funds.

15 (d) Determining the application of the proceeds of the sale
16 of any issue of securities.

17 (e) Applying limitations on the issuance of additional
18 securities on a parity or subordinate basis, the terms upon which
19 additional securities may be issued and secured, and upon the
20 refunding of outstanding or other securities.

21 (f) The procedure and criteria, if any, by which the terms
22 of any contract with the holders of tax lien collateralized
23 securities may be amended or abrogated.

24 (g) The creation of special funds into which any money of
25 the municipality or a tax lien entity of the municipality may be
26 deposited.

1 (h) Vesting a trustee with properties, rights, powers, and
2 duties.

3 (i) Defining the acts or omissions to act that constitute a
4 default in the obligations and duties of the municipality or a
5 tax lien entity of the municipality and providing the rights and
6 remedies of the holders of the tax lien collateralized securities
7 in the event of a default.

8 (j) Any other matters that affect the security and protec-
9 tion of the tax lien collateralized securities and the rights of
10 the holders of the tax lien collateralized securities.

11 (9) Any trust indenture or other agreement under which tax
12 lien collateralized securities of the municipality or a tax lien
13 entity of the municipality are authorized to be issued may con-
14 tain provisions for vesting in a trustee the properties, rights,
15 powers, and duties that the municipality considers appropriate.

16 (10) A sale or pledge of tax liens, earnings, revenues,
17 other money, or assets made by the municipality or a tax lien
18 entity of the municipality is valid and binding from the time the
19 sale or pledge is made without any filing, recording, or other
20 requirement of notice. The tax liens, earnings, revenues, other
21 money, or assets pledged and received by the municipality or a
22 tax lien entity of the municipality are immediately subject to
23 the lien of the pledge without physical delivery or further act.
24 The lien of any pledge of tax liens, earnings, revenues, other
25 money, or assets is valid and binding against all parties having
26 claims of any kind in tort, contract, or otherwise against the
27 municipality or a tax lien entity of the municipality whether or

1 not those parties have notice of the lien of the pledge. A
2 resolution or any other instrument by which a pledge is created
3 is not required to be recorded.

4 (11) Members of the governing body of the municipality or
5 any person executing the tax lien collateralized securities is
6 not personally liable for repayment of the tax lien collateral-
7 ized securities or subject to any personal liability or account-
8 ability arising from the issuance or nonissuance of the tax lien
9 collateralized securities.

10 Sec. 9. Tax lien collateralized securities and other obli-
11 gations of the municipality and a tax lien entity of the munici-
12 pality are not a debt of this state or of any municipality within
13 the meaning of any constitutional, statutory, or charter debt
14 limitation, and neither this state nor any municipality is liable
15 on the tax lien collateralized securities or obligations. Tax
16 lien collateralized securities and other obligations of the
17 municipality and a tax lien entity of the municipality are not
18 payable out of any funds other than those of the municipality or
19 the tax lien entity pledged for payment of the tax liens and the
20 tax lien collateralized securities and other obligations shall
21 state that fact on their face.

22 Sec. 10. Tax lien collateralized securities issued pursuant
23 to this act are exempt from all taxation in this state, except
24 inheritance and transfer taxes. Interest on tax lien collateral-
25 ized securities is exempt from all taxation in this state.

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

18 _____
19 Clerk".

24 (c) The purpose or purposes for which the authority is
25 created.

1 (d) The number, terms, and manner of selection of the
2 authority's officers, including the authority's governing body
3 which shall be known as the board of commissioners.

4 (e) The powers and duties of the authority and of the
5 authority's officers.

6 (f) The date upon which the authority shall become
7 effective.

8 (g) The name of the newspaper in which the articles of
9 incorporation shall be published.

10 (h) Any other matters to be incorporated in the articles of
11 incorporation.

12 (2) Members of the governing body of the incorporating unit
13 are not eligible for membership or appointment to an authority.

14 Sec. 14. (1) An authority shall be directed and governed by
15 a board of commissioners of 3 members selected by the chief exec-
16 utive officer of the incorporating unit. A commissioner shall
17 serve for a 4-year term.

18 (2) The chief executive officer of the incorporating unit
19 shall select a commissioner to serve as chairperson of the
20 authority. The commissioners shall designate 1 member as secre-
21 tary and shall adopt bylaws and rules of procedure.

22 (3) The business that the board of commissioners may perform
23 shall be conducted at a public meeting of the board of commis-
24 sioners held in compliance with the open meetings act, 1976
25 PA 267, MCL 15.261 to 15.275. Public notice of the time, date,
26 and place of the meeting shall be given in the manner required by
27 the open meetings act, 1976 PA 267, MCL 15.261 to 15.275.

1 Sec. 15. Members of the board of commissioners may be paid
2 compensation, per diems, and mileage for attending meetings, as
3 provided by the board of commissioners with the approval of the
4 incorporating unit.

5 Sec. 16. (1) The articles of incorporation of an authority
6 shall be executed in duplicate and delivered to the county clerk,
7 who shall file 1 copy in his or her office and the other copy
8 with the secretary of the authority. The officer designated in
9 the articles of incorporation shall cause a copy of the articles
10 of incorporation to be published once in a newspaper designated
11 in the articles of incorporation and circulating within the
12 incorporating unit, accompanied by a statement that the right
13 exists to question the incorporation of the authority in court as
14 provided in this section.

15 (2) The officer designated in the articles of incorporation
16 shall file 1 copy of the articles of incorporation with the sec-
17 retary of state. Attached to that copy shall be the certificate
18 setting forth that the copy presented is a true and complete copy
19 of the original articles of incorporation and the date and place
20 of the publication.

21 (3) The authority is effective at the time provided in the
22 articles of incorporation. The validity of the incorporation of
23 the authority is conclusively presumed unless questioned in a
24 court of competent jurisdiction within 60 days after the certi-
25 fied copies of the articles of incorporation are filed with the
26 secretary of state.

1 Sec. 17. (1) An authority is a public body corporate with
2 the power to sue and be sued in any court of this state. An
3 authority has all of the powers necessary to carry out the pur-
4 pose of its incorporation and those incident to its
5 incorporation. The enumeration of any powers in this act does
6 not limit the general powers of the authority.

7 (2) An authority is not authorized to be a debtor under
8 chapter 9 of title 11 of the United States code, 11 U.S.C. 901 to
9 946.

10 Sec. 18. An authority and its incorporating unit may enter
11 into a contract under which the authority may acquire, sell, or
12 otherwise dispose of property contemplated by the terms of this
13 act. The acquisition or sale of any building, lot, or structure,
14 and the necessary site for the property, together with any appur-
15 tenant properties and facilities by an authority or by an incor-
16 porating unit is a benefit to and a legitimate public purpose of
17 the authority and the incorporating unit.

18 Sec. 19. An authority may acquire property by purchase,
19 foreclosure, construction, lease, gift, or devise from a public
20 or private entity and may hold, control, manage, sell, exchange,
21 or lease acquired property. The governing body of an incorporat-
22 ing unit, by a majority vote of its members, may transfer any
23 real property, except cemetery property, owned or taken by the
24 incorporating unit to an authority established under this act.
25 The transfer and use of real property under this section shall be
26 considered a necessary public purpose and for the benefit of the
27 public.

1 Sec. 20. The articles of incorporation of an authority may
2 be amended if the amendments are adopted by the governing body of
3 the incorporating unit. No amendment shall impair the obligation
4 of any bond or other contract. An amendment shall be adopted,
5 executed, and published and certified copies filed, in the same
6 manner as provided for the original articles of incorporation.

7 Sec. 21. All property owned by an authority is exempt from
8 taxation by this state or any political subdivision of this
9 state.

10 Sec. 22. (1) An authority may contract with its incorporat-
11 ing unit and with third parties to accomplish the objectives of
12 this act.

13 (2) An authority may contract with any person, firm, or cor-
14 poration to service, administer, collect, and foreclose on tax
15 liens and to maintain or sell the foreclosed property.

16 Sec. 23. The powers granted under this act are in addition
17 to those granted by any other statute or charter.