

**STATE OF MICHIGAN
101ST LEGISLATURE
REGULAR SESSION OF 2022**

Introduced by Senator Schmidt

ENROLLED SENATE BILL No. 1222

AN ACT to amend 2008 PA 554, entitled “An act to create and provide for the incorporation of certain regional convention facility authorities; to provide for the membership of the authorities; to provide for the powers and duties of the authorities; to provide for the conveyance of ownership of and operational jurisdiction over certain convention facilities to authorities and to provide for the transfer of certain real and personal property utilized as convention facilities to authorities; to provide for the assumption of certain contracts, bonds, notes, and other evidences of indebtedness and liabilities related to convention facilities by authorities; to authorize the creation of certain funds; to authorize expenditures from certain funds; to finance the acquisition of land and the development of certain convention facilities and of public improvements or related facilities; to provide for the issuance of bonds and notes; to authorize certain investments; to provide for the transfer of public employees to the employment of authorities; to provide for the allocation of liabilities related to employee benefits; to protect certain rights of local government employees; and to impose certain powers and duties upon state and local departments, agencies, and officers,” by amending sections 5, 17, and 23 (MCL 141.1355, 141.1367, and 141.1373), section 5 as amended by 2009 PA 63.

The People of the State of Michigan enact:

Sec. 5. As used in this act:

(a) “Authority” means a regional convention facility authority created under section 7.

(b) “Board” means the board of directors of an authority.

(c) “Convention facility” means all or any part of, or any combination of, a convention hall, auditorium, arena, meeting rooms, exhibition area, and related adjacent public areas that are generally available to the public for lease on a short-term basis for holding conventions, meetings, exhibits, and similar events, together with real or personal property, and easements above, on, or under the surface of real or personal property, used or intended to be used for holding conventions, meetings, exhibits, and similar events, together with appurtenant property, including walkways, bicycle paths, plazas, green space, parking lots or structures, and roads necessary or convenient for use in connection with the convention facility. Convention facility includes an attached arena with a seating capacity not exceeding 13,000. Convention facility does not include any arena with a seating capacity exceeding 13,000.

(d) “Develop” means to plan, acquire, construct, improve, enlarge, maintain, renew, renovate, repair, replace, lease, equip, or furnish.

(e) “Fiscal year” means an annual period that begins on October 1 and ends on September 30 or the fiscal year for an authority established by the board of the authority.

(f) "Legislative body" means the elected body of a local government possessing the legislative power of the local government.

(g) "Local chief executive officer" means the mayor or city manager of a city or the county executive of a county or, if a county does not have a county executive, the chairperson of the county board of commissioners.

(h) "Local government" means a county or city. For purposes of sections 17(1)(t) and 19, other than section 19(1)(f), local government includes a building authority or downtown development authority created by a county or city under part 2 of the recodified tax increment financing act, 2018 PA 57, MCL 125.4201 to 125.4230.

(i) "Public-private arrangement" means an agreement between an authority and a private entity that relates to researching, planning, studying, designing, developing, financing, acquiring, constructing, renovating, operating, maintaining, or charging rent or other fees for a convention facility.

(j) "Qualified city" means a city with a population of more than 550,000 according to the most recent decennial census that contains a qualified convention facility.

(k) "Qualified county" means a county that contains a qualified city.

(l) "Qualified convention facility" means a publicly owned convention facility with not less than 600,000 square feet of usable exhibition area and that is located in a qualified city.

(m) "Qualified metropolitan area" means a geographic area of this state that includes a qualified city, a qualified county, and the 2 counties bordering the qualified county with the largest populations according to the most recent decennial census.

(n) "Transfer date" means the earlier of the following:

(i) The date 90 days after the creation of an authority under section 7 on which the right, title, interest, ownership, and control of a qualified convention facility are conveyed and transferred from a qualified city to an authority, only if the transfer is not disapproved as provided under section 19(1).

(ii) The effective date of a lease agreement providing for the lease of a qualified convention facility to an authority created under section 7 as provided under section 19(1). In the event that the qualified convention facility is transferred to the authority by way of a lease, references in this act to transfer of title or conveyance of title must be interpreted to mean the effectuation of the transfer or conveyance by way of a lease and not in fee.

Sec. 17. (1) Except as otherwise provided in this act, an authority may do all things necessary or convenient to implement the purposes, objectives, and provisions of this act and the purposes, objectives, and jurisdictions vested in the authority or the board by this act or other law, including, but not limited to, all of the following:

(a) Adopt and use a corporate seal.

(b) Adopt, amend, and repeal bylaws for the regulation of its affairs and the conduct of its business.

(c) Sue and be sued in its own name and plead and be impleaded.

(d) Borrow money and issue bonds and notes according to the provisions of this act.

(e) Make and enter into contracts, agreements, or instruments necessary, incidental, or convenient to the performance of its duties and execution of its powers, duties, and jurisdictions under this act with any federal, state, local, or intergovernmental governmental agency or with any other person or entity, public or private, upon terms and conditions acceptable to the authority.

(f) Engage in collective negotiation or collective bargaining and enter into agreements with a bargaining representative as provided by 1947 PA 336, MCL 423.201 to 423.217.

(g) Solicit, receive, and accept gifts, grants, labor, loans, contributions of money, property, or other things of value, and other aid or payment from any federal, state, local, or intergovernmental government agency or from any other person or entity, public or private, upon terms and conditions acceptable to the authority, or participate in any other way in a federal, state, local, or intergovernmental government program.

(h) Apply for and receive loans, grants, guarantees, or other financial assistance in aid of a convention facility from any state, federal, local, or intergovernmental government or agency or from any other source, public or private, including, but not limited to, financial assistance for purposes of developing, planning, constructing, improving, and operating a convention facility.

(i) Procure insurance or become a self-funded insurer against loss in connection with the property, assets, or activities of the authority.

(j) Indemnify and procure insurance indemnifying board members 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.

(k) Invest money of the authority, at the discretion of the board, in instruments, obligations, securities, or property determined proper by the board and name and use depositories for authority money. Investments must be made consistent with an investment policy adopted by the board that complies with this act and 1943 PA 20, MCL 129.91 to 129.97a.

(l) Contract for goods and services as necessary and as provided under this act. An authority may contract with a management firm, either corporate or otherwise, to operate a qualified convention facility, under the supervision of the authority.

(m) Employ legal and technical experts, other officers, agents, employees, or other personnel, permanent or temporary, as considered necessary by the board as provided under this act.

(n) Contract for the services of persons or entities for rendering professional or technical assistance, including, but not limited to, consultants, managers, legal counsel, engineers, accountants, and auditors, as provided under this act.

(o) Establish and maintain an office.

(p) Acquire by gift, devise, transfer, exchange, purchase, lease, or otherwise on terms and conditions and in a manner the authority considers proper property or rights or interests in property. Property or rights or interests in property acquired by an authority may be by purchase contract, lease purchase, agreement, installment sales contract, land contract, or otherwise. The acquisition of any property by an authority for a convention facility in furtherance of the purposes of the authority is for a public use, and the exercise of any other powers granted to the authority is declared to be public, governmental, and municipal functions, purposes, and uses exercised for a public purpose and matters of public necessity.

(q) Hold, clear, remediate, improve, maintain, manage, protect, control, sell, exchange, lease, or grant easements and licenses on property or rights or interests in property that the authority acquires, holds, or controls.

(r) Except as provided in section 19(13), convey, sell, transfer, exchange, lease, or otherwise dispose of property or rights or interest in property, excluding the sale or transfer of a qualified convention facility, to any person or entity on terms and conditions, and in a manner and for consideration the authority considers proper, fair, and valuable.

(s) Develop a convention facility.

(t) Assume and perform the obligations and covenants of a local government related to a qualified convention facility.

(u) Enter into contracts or other arrangements with persons or entities, for granting the privilege of naming or placing advertising on or in all or any portion of a convention facility.

(v) Receive financial or other assistance from a person licensed under section 6 of the Michigan Gaming Control and Revenue Act, 1996 IL 1, MCL 432.206.

(w) Establish and fix a schedule of rents, admission fees, or other charges for occupancy, use of, or admission to any convention facility operated by the authority and provide for the collection and enforcement of those rents, admission fees, or other charges.

(x) Adopt reasonable rules and regulations for the orderly, safe, efficient, and sanitary operation and use of a convention facility owned by the authority or under its operational jurisdiction.

(y) Enter into a public-private arrangement.

(z) Do all other acts and things necessary or convenient to exercise the powers, duties, and jurisdictions of the authority under this act or other laws that related to the purposes, powers, duties, and jurisdictions of the authority.

(2) Notwithstanding any other provision of law to the contrary, an authority does not have the power to impose or levy a tax.

Sec. 23. (1) Except as provided in subsection (3), an authority may raise revenues to fund all of its activities, operations, and investments consistent with its purposes. The sources of revenue available to the authority may include, but are not limited to, any of the following:

(a) Rents, admission fees, or other charges for use of a convention facility which the authority may fix, regulate, and collect.

(b) Federal, state, or local government grants, loans, appropriations, payments, or contributions.

(c) The proceeds from the sale, exchange, mortgage, lease, or other disposition of property that the authority has acquired.

(d) Grants, loans, appropriations, payments, proceeds from repayments of loans made by the authority, or contributions from public or private sources.

(e) Distributions from the convention facility development fund of the state pursuant to the state convention facility development act, 1985 PA 106, MCL 207.621 to 207.640.

(f) Investment earnings on the revenues described in subdivisions (a) to (e).

(2) The revenues raised by an authority may be pledged, in whole or in part, for the repayment of bonded indebtedness and other expenditures issued or incurred by the authority.

(3) Notwithstanding any other provision of law to the contrary, an authority does not have the power to impose or levy a tax.

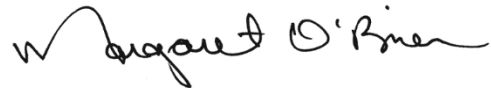
(4) The board by resolution may establish a regional convention facility operating trust fund for the purpose of accumulating funds to pay for the cost of operating and maintaining a qualified convention facility. Money for operating and maintaining a qualified convention facility, at the authority's discretion, may be provided from this fund or any other money of the authority. The resolution establishing the fund must include all of the following:

(a) The designation of a person or persons who shall act as the fund's investment fiduciary.

(b) A restriction of withdrawals from the fund solely for the payment of reasonable operating and maintenance expenses of a convention facility and the payment of the expenses of administration of the fund.

(5) An investment fiduciary shall invest the assets of the fund in accordance with an investment policy adopted by the board that complies with section 13 of the public employee retirement system investment act, 1965 PA 314, MCL 38.1133. However, the investment fiduciary shall discharge the investment fiduciary's duties solely in the interest of the authority. The authority may invest the fund's assets in the investment instruments and subject to the investment limitations governing the investment of assets of public employee retirement systems under the public employee retirement system investment act, 1965 PA 314, MCL 38.1132 to 38.1141.

(6) A financial obligation of an authority is a financial obligation of the authority only and not a financial obligation of this state, a qualified city, a qualified county, or a county bordering a qualified county. A financial obligation of the authority shall not be transferred to this state, a qualified city, a qualified county, or a county bordering a qualified county.



Secretary of the Senate



Clerk of the House of Representatives

Approved _____

Governor