

SUBSTITUTE FOR
HOUSE BILL NO. 6055

A bill to create the state facility authority; to create certain state authorities; to create funds and accounts; to prescribe the powers and duties of the authority; to operate certain facilities; and to prescribe the powers and duties of certain state and local officials.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act shall be known and may be cited as the "state
2 facility authority act".

3 Sec. 2. As used in this act:

4 (a) "Authority" means the state facility authority created
5 under section 3.

6 (b) "Board" means the board of directors of the authority.

7 (c) "Person" means an individual, corporation, limited or

1 general partnership, joint venture, or limited liability company or
2 a governmental entity, including state authorities.

3 (d) "Qualified facility" means a facility that meets all of
4 the following:

5 (i) Prior to transfer to the authority, was owned and operated
6 by an institution of higher education.

7 (ii) Is located in a city in the Upper Peninsula with a
8 population of 18,000 or more.

9 Sec. 3. (1) The state facility authority is created as a
10 public body corporate and politic within the department of
11 treasury.

12 (2) The authority shall exercise its duties independently of
13 the state treasurer. The budgeting, procurement, and related
14 administrative functions of the authority shall be performed under
15 the direction and supervision of the state treasurer.

16 Sec. 4. (1) The authority shall exercise its duties through
17 its board of directors.

18 (2) The board shall be made up of the following members:

19 (a) The president and CEO of the Michigan economic development
20 corporation or his or her designee.

21 (b) The state treasurer or his or her designee.

22 (c) The president of northern Michigan university or his or
23 her designee.

24 (d) Eight members with knowledge, skill, or experience in the
25 academic, business, or financial fields appointed by the governor
26 with the advice and consent of the senate. Four of the members
27 shall be residents of the Upper Peninsula, and 4 members shall be

1 residents of the Lower Peninsula. Two of the members appointed by
2 the governor shall be from a list of 4 or more individuals selected
3 by the majority leader of the senate, and 1 of these members shall
4 be a resident of the Upper Peninsula and 1 shall be a resident of
5 the Lower Peninsula. Two of the members appointed by the governor
6 shall be from a list of 4 or more individuals selected by the
7 speaker of the house of representatives, and 1 of these members
8 shall be a resident of the Upper Peninsula and 1 shall be a
9 resident of the Lower Peninsula. Of the 8 members, 2 shall serve an
10 initial term of 1 year, 2 shall serve an initial term of 2 years, 2
11 shall serve an initial term of 3 years, and 2 shall serve an
12 initial term of 4 years. Upon completion of each term, a member
13 shall be appointed for a term of 4 years. The appointed members
14 shall serve until a successor is appointed. A vacancy in a fixed-
15 term membership shall be filled for the balance of the unexpired
16 term in the same manner as the original appointment.

17 (3) Members of the board shall serve without compensation but
18 may receive reasonable reimbursement for necessary travel and
19 expenses incurred in the discharge of their duties.

20 (4) The governor shall designate 1 member of the board to
21 serve as its chairperson who shall serve at the pleasure of the
22 governor.

23 (5) A majority of the serving members of the board shall
24 constitute a quorum of the board for the transaction of business.
25 Actions of the board shall be approved by a majority vote of the
26 members present at a meeting. The business of the board shall be
27 conducted in compliance with the open meetings act, 1976 PA 267,

1 MCL 15.261 to 15.275.

2 (6) The authority may employ or contract for legal, financial,
3 and technical experts, and officers, agents, and employees,
4 permanent and temporary, as the authority requires, and shall
5 determine their qualifications, duties, and compensation. The board
6 may delegate to 1 or more agents or employees those powers or
7 duties with any limitations that the board considers proper.

8 (7) The members of the board and officers and employees of the
9 authority are subject to 1968 PA 317, MCL 15.321 to 15.330, or 1968
10 PA 318, MCL 15.301 to 15.310.

11 (8) A member of the board or officer, employee, or agent of
12 the authority shall discharge the duties of his or her position in
13 a nonpartisan manner, with good faith, and with that degree of
14 diligence, care, and skill that an ordinarily prudent person would
15 exercise under similar circumstances in a like position. In
16 discharging the duties of his or her position, a member of the
17 board or an officer, employee, or agent of the authority, when
18 acting in good faith, may rely upon the opinion of counsel for the
19 authority, upon the report of an independent appraiser selected
20 with reasonable care by the board, or upon financial statements of
21 the authority represented to the member of the board or officer,
22 employee, or agent of the authority to be correct by the president
23 or the officer of the authority having charge of its books or
24 account, or stated in a written report by a certified public
25 accountant or firm of certified public accountants to fairly
26 reflect the financial condition of the authority.

27 Sec. 5. (1) The authority may do all things necessary or

1 convenient to carry out the purposes, objectives, and provisions of
2 this act and the purposes, objectives, and powers delegated to the
3 authority or the board by other laws or executive orders,
4 including, without limitation, all of the following:

5 (a) Adopt bylaws for the regulation of its affairs and alter
6 the bylaws at its pleasure.

7 (b) Sue and be sued in its own name.

8 (c) Enter into contracts and other instruments necessary,
9 incidental, or convenient to the performance of its duties and the
10 exercise of its powers and designate the person or persons who have
11 authority to execute those contracts and investments on behalf of
12 the authority.

13 (d) Solicit, receive, and accept from any source gifts,
14 grants, loans, appropriations, or contributions of money, property,
15 or other things of value, and other aid or payment, or participate
16 in any other way in a federal, state, or local government program.

17 (e) Procure insurance against loss in connection with the
18 property, assets, or activities of the authority.

19 (f) Engage, on a contract basis, the services of private
20 consultants, managers, legal counsel, and auditors for rendering
21 professional or technical assistance and advice payable out of any
22 money of the authority.

23 (g) Establish and maintain an office and employ and fix
24 compensation for personnel of the authority. To hire an executive
25 director or other chief administrative officer who is authorized to
26 establish and fix a schedule of rents, admission fees, or other
27 charges for occupancy, use of, or admission to any qualified

1 facility operated by the authority and provide for the collection
2 and enforcement of those rents, admission fees, or other charges.

3 (h) Hold, clear, remediate, improve, maintain, manage,
4 control, sell, exchange, mortgage and hold mortgages on and other
5 security interests in, lease, as lessor or lessee, and obtain or
6 grant easements and licenses on property that the authority
7 acquires. A sale, exchange, lease, or other disposition of
8 authority property shall be to a person or persons for a project or
9 projects involving a qualified facility. Property acquired by the
10 authority and later determined by the authority to be not necessary
11 for a qualified facility may be sold or otherwise disposed of for
12 use or uses not inconsistent with the purposes of this act.

13 Temporary or permanent easements or licenses or other appropriate
14 interests in property acquired by the authority may be conveyed or
15 granted by the authority for utility, vehicular, or pedestrian
16 traffic facilities, or related purposes not inconsistent with this
17 act. The authority does not have the power to condemn property.

18 (i) Operate a qualified facility.

19 (j) Borrow and repay necessary funds to finance capital
20 improvements.

21 (k) Do all other acts and things necessary or convenient to
22 carrying out the purposes for which the authority was established.

23 (2) An authority established under this act shall not levy a
24 tax.

25 Sec. 6. Money of the authority shall be held by the authority
26 and deposited in a financial institution approved by the state
27 treasurer, which financial institution may give security for the

1 deposits.

2 Sec. 7. The property of the authority and its income and
3 operation are exempt from all taxation by this state or any of its
4 political subdivisions.

5 Sec. 8. The authority shall submit an annual report no later
6 than March 1 of each year relating to its activities for the
7 preceding calendar year to the governor, the speaker of the house
8 of representatives, the majority leader of the senate, and to each
9 member of the house and senate appropriations committees.