

HOUSE BILL No. 6055

May 11, 2006, Introduced by Reps. Casperson, Farhat, Elsenheimer, Brown, Adamini, Moore, Hansen, Hummel, Taub, LaJoy, Marleau, Emmons, Hildenbrand, Pearce and Stakoe and referred to the Committee on Appropriations.

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 prior to
4 transfer to the authority was owned and operated by an institution
5 of higher education.

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

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

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

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

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

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

19 (c) The president of northern Michigan university or his or
20 her designee.

21 (d) Eight members with knowledge, skill, or experience in the
22 academic, business, or financial fields appointed by the governor
23 with the advice and consent of the senate. Not fewer than 4 of the
24 members shall be residents of the Upper Peninsula of this state. Of
25 the 8 members, 2 shall serve an initial term of 1 year, 2 shall
26 serve an initial term of 2 years, 2 shall serve an initial term of
27 3 years, and 2 shall serve an initial term of 4 years. Upon

1 completion of each term, a member shall be appointed for a term of
2 4 years. The appointed members shall serve until a successor is
3 appointed. A vacancy in a fixed-term membership shall be filled for
4 the balance of the unexpired term in the same manner as the
5 original appointment.

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

9 (4) The governor shall designate 1 member of the board to
10 serve as its chairperson who shall serve at the pleasure of the
11 governor.

12 (5) A majority of the serving members of the board shall
13 constitute a quorum of the board for the transaction of business.
14 Actions of the board shall be approved by a majority vote of the
15 members present at a meeting. The business of the board shall be
16 conducted in compliance with the open meetings act, 1976 PA 267,
17 MCL 15.261 to 15.275.

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

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

27 (8) A member of the board or officer, employee, or agent of

1 the authority shall discharge the duties of his or her position in
2 a nonpartisan manner, with good faith, and with that degree of
3 diligence, care, and skill that an ordinarily prudent person would
4 exercise under similar circumstances in a like position. In
5 discharging the duties of his or her position, a member of the
6 board or an officer, employee, or agent of the authority, when
7 acting in good faith, may rely upon the opinion of counsel for the
8 authority, upon the report of an independent appraiser selected
9 with reasonable care by the board, or upon financial statements of
10 the authority represented to the member of the board or officer,
11 employee, or agent of the authority to be correct by the president
12 or the officer of the authority having charge of its books or
13 account, or stated in a written report by a certified public
14 accountant or firm of certified public accountants to fairly
15 reflect the financial condition of the authority.

16 Sec. 5. (1) The authority may do all things necessary or
17 convenient to carry out the purposes, objectives, and provisions of
18 this act and the purposes, objectives, and powers delegated to the
19 authority or the board by other laws or executive orders,
20 including, without limitation, all of the following:

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

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

24 (c) Enter into contracts and other instruments necessary,
25 incidental, or convenient to the performance of its duties and the
26 exercise of its powers and designate the person or persons who have
27 authority to execute those contracts and investments on behalf of

1 the authority.

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

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

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

12 (g) Establish and maintain an office and employ and fix
13 compensation for personnel of the authority. To hire an executive
14 director or other chief administrative officer who is authorized to
15 establish and fix a schedule of rents, admission fees, or other
16 charges for occupancy, use of, or admission to any qualified
17 facility operated by the authority and provide for the collection
18 and enforcement of those rents, admission fees, or other charges.

19 (h) Hold, clear, remediate, improve, maintain, manage,
20 control, sell, exchange, mortgage and hold mortgages on and other
21 security interests in, lease, as lessor or lessee, and obtain or
22 grant easements and licenses on property that the authority
23 acquires. A sale, exchange, lease, or other disposition of
24 authority property shall be to a person or persons for a project or
25 projects involving a qualified facility. Property acquired by the
26 authority and later determined by the authority to be not necessary
27 for a qualified facility may be sold or otherwise disposed of for

1 use or uses not inconsistent with the purposes of this act.

2 Temporary or permanent easements or licenses or other appropriate
3 interests in property acquired by the authority may be conveyed or
4 granted by the authority for utility, vehicular, or pedestrian
5 traffic facilities, or related purposes not inconsistent with this
6 act. The authority does not have the power to condemn property.

7 (i) Operate a qualified facility.

8 (j) Do all other acts and things necessary or convenient to
9 carrying out the purposes for which the authority was established.

10 (2) An authority established under this act shall not levy a
11 tax.

12 Sec. 6. Money of the authority shall be held by the authority
13 and deposited in a financial institution approved by the state
14 treasurer, which financial institution may give security for the
15 deposits.

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

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