ART INSTITUTE AUTHORITIES ACT
Act 296 of 2010

AN ACT to provide for the establishment of art institute authorities; to provide for the powers and duties of an art institute authority; to authorize the levy and collection of a property tax by an art institute authority; and to provide for the powers and duties of certain government officials.

History: 2010, Act 296, Imd. Eff. Dec. 16, 2010.

The People of the State of Michigan enact:

123.1201 Short title.

Sec. 1. This act shall be known and may be cited as the "art institute authorities act".

History: 2010, Act 296, Imd. Eff. Dec. 16, 2010.

123.1203 Definitions.

Sec. 3. As used in this act:

(a) "Art institute" means an encyclopedic art museum whose primary art collection and facility, at the date an authority is established, are owned by a municipality located in this state.

(b) "Art institute services" means the operation or support of an art institute.

(c) "Art institute services provider" means a nonprofit entity qualified under section 501(c)(3) of the internal revenue code, 26 USC 501(c)(3), that, as its primary purpose, provides art institute services to an art institute.

(d) "Articles" means the articles of incorporation of an authority.

(e) "Authority" means an art institute authority established under section 5.

(f) "Board" means the board of directors of the authority.

(g) "Electors of the authority" means the qualified and registered electors of the county.

History: 2010, Act 296, Imd. Eff. Dec. 16, 2010.

123.1205 Art institute authority; formation; public corporate body; powers; prohibitions.

Sec. 5. (1) Any county may form an art institute authority.

(2) An art institute authority is an authority under section 6 of article IX of the state constitution of 1963. An art institute authority is a public corporate body with the power to sue and be sued in any court of this state.

(3) An art institute authority possesses all the powers necessary for carrying out the purposes of its formation. The enumeration of specific powers in this act shall not be construed as a limitation on the general powers of an authority, consistent with its articles.

(4) An authority shall not obtain an interest in real property or participate in the governance of an art institute.

History: 2010, Act 296, Imd. Eff. Dec. 16, 2010.

123.1207 Articles of incorporation; contents; adoption; amendment; publication; filing; effectiveness.

Sec. 7. (1) To initiate the establishment of an authority, articles of incorporation shall be prepared by a majority of the members of the county board of commissioners of the county establishing the authority. The articles of incorporation shall include all of the following:

(a) The name of the authority.

(b) The size of the board of the authority, which shall be composed of an odd number of members and shall not exceed 15 members; the qualifications and terms of office of board members; the manner of appointing the members of the board of the authority; and the filling of vacancies in the office of board member.

(c) The purpose of the authority.

(d) The method of dissolution of the authority.

(e) Any other matters considered advisable.

(2) The articles shall be adopted and may be amended by an affirmative vote of a majority of the members of the county board of commissioners of the county establishing the authority.

(3) Before the proposed articles or proposed amendments to the articles are adopted, the proposed articles or amendments shall be published not less than once in a newspaper generally circulated within the county. The adoption of proposed articles or amendments by the county shall be evidenced by an endorsement on the

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articles or amendments by the clerk of the county.

(4) Upon adoption of the articles or amendments to the articles by the county, a printed copy of the articles or the amended articles shall be filed with the secretary of state by the clerk of the county.

(5) The authority's articles of incorporation, or amendments to the articles, take effect upon filing with the secretary of state.

History: 2010, Act 296, Imd. Eff. Dec. 16, 2010.

123.1209 Board; vacancy; removal of member; quorum; official action; compensation; expenses; business conducted at public meeting; writings; election of officers; bylaws.

Sec. 9. (1) A vacancy occurs on the board on the happening of any of the events set forth in section 3 of 1846 RS 15, MCL 201.3. Members of the board may be removed by the county board of commissioners for good cause after a public hearing. Vacancies shall be filled in the manner as provided for in the authority's articles of incorporation.

(2) A majority of the members of the board constitute a quorum for the purpose of conducting business and exercising the powers of an authority. Official action may be taken by an authority upon the vote of a majority of the board members present, unless the authority adopts bylaws requiring a larger number.

(3) A member of the board shall not receive compensation for services as a member of the board but is entitled to reimbursement for reasonable expenses, including expenses for travel previously authorized by the board, incurred in the discharge of his or her duties.

(4) The business that an authority may perform shall be conducted at a public meeting of the authority held in compliance with the open meetings act, 1976 PA 267, MCL 15.261 to 15.275. Public notice of the time, date, and place of the meeting shall be given in the manner required by the open meetings act, 1976 PA 267, MCL 15.261 to 15.275.

(5) A writing prepared, owned, or used by an authority in the performance of an official function shall be made available in compliance with the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

(6) At its first meeting, a board shall elect a chairperson, a secretary, a treasurer, and any other officers it considers necessary.

(7) A board may adopt bylaws to govern its procedures.

History: 2010, Act 296, Imd. Eff. Dec. 16, 2010.

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123.1211 Powers of authority.

Sec. 11. An authority may do 1 or more of the following:

(a) Provide funding to an art institute services provider to support the provision of art institute services.

(b) Levy a tax as provided in section 17.

(c) Enter into contracts incidental or necessary for the accomplishment of this act.

(d) Contract for or retain professional services.

History: 2010, Act 296, Imd. Eff. Dec. 16, 2010.

123.1213 Replacement of initial art institute services provider; contract for use of funds.

Sec. 13. Before a vote for a tax levy under section 17 occurs or, if an initial art institute services provider is replaced, before any funds are transferred under section 25 to a replacement art institute services provider, the art institute services provider shall enter into a contract with the authority requiring the art institute services provider to use the funds received from the authority exclusively to support the provision of art institute services to an art institute.

History: 2010, Act 296, Imd. Eff. Dec. 16, 2010.

123.1215 Approval of tax; preferences or benefits for residents.

Sec. 15. If a majority of electors in the county voting on the question of a tax as provided in section 17 approve the tax, the contract as provided in section 13 shall require the art institute services provider to offer or to exercise its best efforts to cause the art institute to offer preferences or benefits for the residents of the county that may include, but are not limited to, any of the following:

(a) Discounted admission fees.

(b) Discounted membership fees.

(c) Discounts for schoolchildren.

(d) Access to educational programs.

History: 2010, Act 296, Imd. Eff. Dec. 16, 2010.

123.1217 Tax levy; limitation; ballot proposal; adoption of proposal by resolution;

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authorization of tax levy; limitation on number of elections held on proposal.

Sec. 17. (1) An authority may levy a tax of not more than 0.2 mill for a period of not more than 20 years on all of the taxable property within the county for the purpose of providing revenue to an art institute services provider that will be used exclusively for the benefit of the art institute with respect to which the art institute services provider renders services. The authority may levy the tax only if a majority of the electors in the county voting on the tax at a statewide general or primary election approve the tax. The proposal for a tax shall be submitted to a vote of the electors of the authority by resolution of the board.

(2) A ballot proposal for a tax shall comply with the requirements of section 24f of the general property tax act, 1893 PA 206, MCL 211.24f. A proposal for a tax shall not be placed on the ballot unless the proposal is adopted by a resolution of the board and certified by the board not later than 60 days before the election to the county clerk of the county for inclusion on the ballot. The proposal shall be certified for inclusion on the ballot at the next eligible election, as specified by the board's resolution.

(3) If a majority of the electors in the county voting on the question of a tax approve the proposal as provided under subsection (1), the tax levy is authorized. Not more than 2 elections may be held in a calendar year on a proposal for a tax authorized under this act.

History: 2010, Act 296, Imd. Eff. Dec. 16, 2010.

123.1219 Election; ballots; conduct.

Sec. 19. (1) The county election commission of the county shall provide ballots for an election for a tax under section 17.

(2) An election for a tax shall be conducted by the city and township clerks and election officials of the municipalities located within the county.

History: 2010, Act 296, Imd. Eff. Dec. 16, 2010.

123.1221 Close of registration and election; notices; results; final canvass; certification.

Sec. 21. (1) If an election for a tax under section 17 is to be held in conjunction with a general election or a state primary election, the notices of close of registration and election shall be published as provided for by the state election laws. Otherwise, the county clerk of the county shall publish the notices of close of registration and election. The notice of close of registration shall include the ballot language of the proposal.

(2) The results of an election for a tax shall be canvassed by the board of county canvassers of the county. The board of county canvassers of the county shall make the final canvass of an election for a tax based on the returns of the election inspectors of the municipalities in that county. The board of county canvassers of the county shall certify the results of the election to the board of the authority.

History: 2010, Act 296, Imd. Eff. Dec. 16, 2010.

123.1223 Levy and collection of tax.

Sec. 23. A tax authorized to be levied by an authority under this act shall be levied and collected at the same time and in the same manner as provided by the general property tax act, 1893 PA 206, MCL 211.1 to 211.155.

History: 2010, Act 296, Imd. Eff. Dec. 16, 2010.

123.1225 Transfer of funds to art institute services provider.

Sec. 25. Within 10 business days of the receipt of the funds from the local property tax collecting unit for the tax levied under this act, the authority shall transfer the funds, less the amount necessary to fund the payment of obligations incurred by the authority in accordance with this act, to the art institute services provider.

History: 2010, Act 296, Imd. Eff. Dec. 16, 2010.

123.1227 Reimbursement of election costs to county or to municipality.

Sec. 27. (1) If a majority of the electors in the county voting on the question of a tax as provided in section 17 approve the tax, the county clerk of the county shall charge the authority and the authority shall reimburse the county for the actual costs the county incurs in the election for the tax under section 17.

(2) If a municipality conducts the election and a majority of the electors in the county voting on the question of a tax as provided in section 17 approve the tax, the clerk of that municipality shall charge the authority and the authority shall reimburse the municipality for the actual costs the municipality incurs in conducting the election if the election is not held in conjunction with a regularly scheduled election in that municipality.

(3) If a majority of the electors in the county voting on the question of a tax as provided in section 17 approve the tax, in addition to costs reimbursed under subsection (1) or (2), a county or municipality shall

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charge the authority and the authority shall reimburse the county or municipality for actual costs that the county or municipality incurs and that are exclusively attributable to an election for a tax authorized under this act.

(4) The actual costs that a county or municipality incurs shall be based on the number of hours of work done in conducting the election, the rates of compensation of the workers, and the cost of materials supplied in the election.

History: 2010, Act 296, Imd. Eff. Dec. 16, 2010.

123.1229 Audit; financial plan; investment or deposit of funds.

Sec. 29. (1) A board shall obtain an annual audit of the authority, and report on the audit and auditing procedures, in the manner provided by sections 6 to 13 of the uniform budgeting and accounting act, 1968 PA 2, MCL 141.426 to 141.433. The audit shall also be in accordance with generally accepted government auditing standards as promulgated by the United States general accounting office and shall satisfy federal regulations relating to federal grant compliance audit requirements.

(2) An authority shall prepare budgets and appropriations acts in the manner provided by sections 14 to 19 of the uniform budgeting and accounting act, 1968 PA 2, MCL 141.434 to 141.439.

(3) The state treasurer, the attorney general, a prosecuting attorney, bank, certified public accountant, certified public accounting firm, or other person shall have the same powers, duties, and immunities with respect to the authority as provided for local units in sections 6 to 20 of the uniform budgeting and accounting act, 1968 PA 2, MCL 141.426 to 141.440.

(4) If an authority ends a fiscal year in a deficit condition, the authority shall file a financial plan to correct the deficit condition in the same manner as provided in section 21(2) of the Glenn Steil state revenue sharing act of 1971, 1971 PA 140, MCL 141.921.

(5) The board may authorize funds of the authority to be invested or deposited on a temporary basis before being transferred under section 25 in any investment or depository authorized under section 1 of 1943 PA 20, MCL 129.91.

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