

## LAND RECLAMATION AND IMPROVEMENT AUTHORITY ACT

### Act 173 of 1992

AN ACT to authorize the establishment of land reclamation and improvement authorities; to provide for land reclamation and improvement authority boards and for their powers and duties; to authorize the exercise of the power of eminent domain; to provide for the making of certain improvements; to provide for the issuance of bonds and notes; to provide for assessing the cost of improvements and services against property benefited; to authorize certain rents, fees, and charges; and to provide for the powers and duties of certain state and local governmental officers and entities.

**History:** 1992, Act 173, Imd. Eff. July 21, 1992

*The People of the State of Michigan enact:*

#### **125.2451 Short title; meaning of words and phrases.**

##### Sec. 1.

- (1) This act shall be known and may be cited as the "land reclamation and improvement authority act".
- (2) For the purposes of this act, the words and phrases defined in sections 2 and 3 have the meanings ascribed to them in those sections.

**History:** 1992, Act 173, Imd. Eff. July 21, 1992

#### **125.2452 Definitions; A, B.**

##### Sec. 2.

- (1) "Authority", unless the context clearly implies a different meaning, means a land reclamation and improvement authority established pursuant to sections 4 to 7.
- (2) "Authority board" means the governing body of an authority provided for in section 8.
- (3) "Authority district" means the territory within which an authority exercises its jurisdiction.
- (4) "Blighted area" means land that satisfies all of the following requirements:
  - (a) The land was used for mining, commercial, or industrial purposes.
  - (b) The mining, commercial, or industrial use significantly disturbed the natural qualities of the land.
  - (c) The land is not currently useful for residential, recreational, or commercial purposes.
  - (d) The land can be reclaimed and made useful for residential, recreational, or commercial purposes.
  - (e) The land is not a site listed under section 20105 of part 201 (environmental remediation) of the natural resources and environmental protection act, Act No. 451 of the Public Acts of 1994, being section 324.20105 of the Michigan Compiled Laws, or on the national priorities list established pursuant to section 105 of title I of the comprehensive environmental response, compensation and liability act of 1980, Public Law 96-510, 42 U.S.C. 9605.

**History:** 1992, Act 173, Imd. Eff. July 21, 1992 ;-- Am. 1996, Act 49, Imd. Eff. Feb. 26, 1996

#### **125.2453 Definitions; D to S.**

##### Sec. 3.

- (1) "Department" means the department of treasury, unless a different department is explicitly identified.
- (2) "Improvement" means 1 or more of the following:
  - (a) The construction, improvement, maintenance, and repair of storm or sanitary sewers or combined storm and sanitary sewer systems.
  - (b) The construction, improvement, maintenance, and repair of potable and nonpotable water systems.
  - (c) The construction, improvement, maintenance, and repair of public roads.
  - (d) The acquisition or construction, improvement, and maintenance of public parks, public bicycle paths, and other public recreational facilities, excluding golf courses.
  - (e) The construction, improvement, maintenance, and repair of elevated structures for foot travel over roads in the authority district.
  - (f) The collection and disposal of garbage and rubbish.
  - (g) The construction, improvement, maintenance, and repair of erosion control structures or dikes.
  - (h) The planting, maintenance, and removal of trees.
  - (i) The installation, improvement, maintenance, and repair of lighting systems.
  - (j) The construction, improvement, maintenance, and repair of sidewalks.
  - (k) The eradication or control of aquatic plants.
  - (l) The construction, improvement, maintenance, and repair of private roads.
  - (m) The construction, improvement, maintenance, and repair of waterways, harbors, marinas, seawalls, and channels.
  - (n) The construction, installation, improvement, maintenance, and repair of fences, gates, intercommunication systems, and other structures and devices related to security.
  - (o) The construction, improvement, maintenance, and repair of structures to control or direct surface water runoff.
  - (p) The improvement of land and the construction, improvement, maintenance, equipping, or operation of a building to be used by the authority or for other public purposes, and any necessary or desirable appurtenances to a building to be used by the authority or for other public purposes.
  - (q) The reclamation of blighted areas, including the replanting, grading, and restoration of land; the removal of minerals; and the removal of waste that is not hazardous waste as defined in part 111 (hazardous waste management) of the natural resources and environmental protection act, Act No. 451 of the Public Acts of 1994, being sections 324.11101 to 324.11152 of the Michigan Compiled Laws.
  - (r) Easements necessary for an improvement under this subsection.
  - (s) Demolition of structures and site preparation related to an improvement under this subsection.
  - (t) The payment of any operational and administrative costs of the authority including, but not limited to, architectural, engineering, legal, and accounting fees as determined by the authority board and costs under section 37, not otherwise considered to be part of the costs of an improvement under section 18(1).
- (3) "Person" means an individual, partnership, corporation, association, governmental entity, or other legal entity.
- (4) "Record owner" means a person possessed of the most recent fee title or a land contract vendee's interest in real property as shown by the records of the county register of deeds.
- (5) "Statement of approval" means a statement of approval of the establishment of an authority issued by the department pursuant to section 6.

**History:** 1992, Act 173, Imd. Eff. July 21, 1992 ;-- Am. 1996, Act 49, Imd. Eff. Feb. 26, 1996

## **125.2454 Land reclamation and improvement authority; establishment; petition requirements.**

### **Sec. 4.**

A person seeking to establish a land reclamation and improvement authority shall file a petition with the department. The petition shall meet all of the following requirements:

- (a) Include all of the following:
  - (i) The name and address of the person filing the petition.
  - (ii) The name of the proposed authority, which shall not be similar to the name of the county within which the proposed authority district is located or to the name of a local unit of government all or part of which is located within that county.
  - (iii) The boundaries of the proposed authority district.
  - (iv) A description of a blighted area within the proposed authority district.

- (v) A general description of anticipated improvements, including a preliminary estimate of costs and schedule of completion.
- (vi) A request that the department approve the establishment of the authority.
- (b) Be signed by the record owners of all of the land within the proposed authority district.
- (c) Be accompanied by a written nomination of 1 individual for appointment to a 4-year term and 1 individual for appointment to a 6-year term on the authority board.
- (d) A copy of the petition, with copies of all items listed in subdivision (a), shall be filed with the director of the department of natural resources at the same time as the petition is filed with the department.

**History:** 1992, Act 173, Imd. Eff. July 21, 1992

**125.2455 Petition; determination of compliance with requirements; public hearing; notice; determination and certification of record owners.**

**Sec. 5.**

(1) Not more than 15 days after a petition is filed, the department shall determine whether the petition meets the requirements of section 4 and, if the petition does not meet those requirements, return the petition to the person who filed the petition. If the department returns a petition, the department shall include with the petition a statement of the reasons that the petition does not meet the requirements of section 4.

(2) Not less than 30 days and not more than 45 days after a petition meeting the requirements of section 4 is filed with the department, the department shall hold a public hearing in the county where the proposed authority district is located. The department shall publish notice of the hearing twice in a newspaper of general circulation in the township or townships in which the proposed authority district is located. The first publication shall be not less than 10 days before the hearing. In addition, the department shall give notice of the hearing in the manner required by the open meetings act, Act No. 267 of the Public Acts of 1976, being sections 15.261 to 15.275 of the Michigan Compiled Laws, and by first-class mail addressed to each record owner in the proposed authority district, to the county clerk of the county within which the proposed authority district is located, and to the township clerk of each township within which all or part of the proposed authority district is located. At the hearing, persons may comment on whether the proposed authority meets the requirements of section 6.

(3) For purposes of this section, record owners shall be determined by the records in the register of deeds' office as of the day of filing the petition. At the request of the department, a register of deeds shall certify whether the persons joining in the petition are record owners.

**History:** 1992, Act 173, Imd. Eff. July 21, 1992

**125.2456 Authority; establishment; requirements for approval; mailing, form, and contents of statement of approval or disapproval.**

**Sec. 6.**

(1) Not more than 30 days after the hearing provided for in section 5, the department shall approve or disapprove the establishment of the proposed authority. The department shall approve the establishment of the authority if all of the following requirements are met:

- (a) The proposed authority district contains 1 or more blighted areas that in the aggregate are not less than 20% of the total area of the authority district or 100 acres, whichever is less.
  - (b) The proposed authority district contains not less than 300 acres.
  - (c) The proposed authority district had not more than 100 residents when the petition to establish the authority was filed with the department.
  - (d) The entire proposed authority district is located within 1 or 2 townships and within 1 county.
  - (e) The blighted area can be reclaimed and made useful for recreational, residential, or commercial purposes. In making this determination, the department shall not consider the costs of or availability of financing for reclamation.
- (2) Immediately upon approval or disapproval of the establishment of the proposed authority, the department shall mail a statement of approval or a statement of disapproval by certified mail to the township board of each

township within which all or part of the proposed authority district is located, the county board of commissioners of the county within which the proposed authority district is located, and the person that filed the petition. A statement of approval shall be dated and shall set forth the name of the person who filed the petition under section 4, the name of the proposed authority, and the boundaries of the proposed authority district as set forth in the petition. A statement of disapproval shall be dated and shall set forth the reasons for disapproval.

**History:** 1992, Act 173, Imd. Eff. July 21, 1992

#### **125.2457 Documents; filing; recording; issuance of certificate; filing date.**

##### **Sec. 7.**

(1) After the appointment to the authority board of the proposed authority of each of the individuals required to be appointed pursuant to section 8, the person who filed the petition under section 4 shall file all of the following with the secretary of state, the township clerk of each township within which all or part of the proposed authority district is located, and the county clerk and register of deeds of the county within which the proposed authority district is located:

- (a) A certified copy of the petition.
- (b) A certified copy of the statement of approval.
- (c) The certificates under section 10 certifying the individuals appointed to the first authority board.

(2) The secretary of state shall record in an appropriate book of record the documents filed with the secretary of state under subsection (1) and shall issue to the person who filed the petition under section 4 a certificate certifying the establishment of the authority and the boundaries of the authority district.

(3) The authority is established on the date of filing with the secretary of state the documents required to be filed under subsection (1).

**History:** 1992, Act 173, Imd. Eff. July 21, 1992

#### **125.2458 Authority board; supervision and control; duties of county board of commissioners and township board; appointment of members; terms of office.**

##### **Sec. 8.**

(1) The authority shall be under the supervision and control of an authority board of 5 or 7 members.

(2) Not more than 30 days after the date of issuance of the statement of approval, the county board of commissioners of the county within which the authority district is located shall do 1 of the following:

(a) File a statement with the department that the county elects not to nominate any members to the authority board.

(b) File a statement with the department nominating 1 individual for a 4-year term and 1 individual for a 6-year term on the authority board.

(3) Not more than 30 days after the date of issuance of the statement of approval, the township board of the township within which the authority district is located or, if the authority district is located in more than 1 township, the township board of the township within which the greater portion of the authority district is located shall do 1 of the following:

(a) File a statement with the department that the township elects not to nominate any members to the authority board.

(b) File a statement with the department nominating 1 individual for a 4-year term and 1 individual for a 6-year term on the authority board.

(4) Not more than 45 days after the date of issuance of the statement of approval of the department, the state treasurer shall appoint members of the authority board as follows:

(a) If neither the township nor the county has nominated individuals to the authority board pursuant to this section, the state treasurer shall appoint all of the following to the authority board:

- (i) The 2 individuals nominated pursuant to section 4(c).
- (ii) One employee of the department for a 2-year term.

(iii) One individual for a 4-year term and 1 individual for a 6-year term. The individuals appointed pursuant to this subparagraph shall not be employees of the department.

(b) If the township has not nominated individuals to the authority board pursuant to this section, but the county has nominated individuals to the authority board pursuant to this section, the state treasurer shall appoint all of the following to the authority board:

(i) The 2 individuals nominated pursuant to section 4(c).

(ii) One employee of the department for a 2-year term.

(iii) One individual for a 2-year term and 1 individual for a 4-year term. The individuals appointed pursuant to this subparagraph shall not be employees of the department.

(iv) The 2 individuals nominated by the county.

(c) If the township has nominated individuals to the authority board pursuant to this section, but the county has not nominated individuals to the authority board pursuant to this section the state treasurer shall appoint all of the following to the authority board:

(i) The 2 individuals nominated pursuant to section 4(c).

(ii) One employee of the department for a 2-year term.

(iii) One individual for a 2-year term and 1 individual for a 4-year term. The individuals appointed pursuant to this subparagraph shall not be employees of the department.

(iv) The 2 individuals nominated by the township.

(d) If both the township and the county have nominated individuals to the authority board pursuant to this section, the state treasurer shall appoint all of the following to the authority board:

(i) The 2 individuals nominated pursuant to section 4(c).

(ii) One employee of the department for a 2-year term.

(iii) One individual for a 2-year term and 1 individual for a 4-year term. The individuals appointed pursuant to this subparagraph shall not be employees of the department.

(iv) The individual nominated by the county for a 4-year term.

(v) The individual nominated by the township for a 6-year term.

(5) The term of office of a member of the first authority board appointed pursuant to subsection (4)(a)(i), (b)(i), (b)(iv), (c)(i), (c)(iv), (d)(i), (d)(iv), or (d)(v) is the term for which the member was nominated. The term of office of a member of the first authority board appointed pursuant to subsection (4)(a)(ii), (a)(iii), (b)(ii), (b)(iii), (c)(ii), (c)(iii), (d)(ii), or (d)(iii) is the term for which the member was appointed. The term of office of a member of the first authority board commences on the date on which the authority is established.

**History:** 1992, Act 173, Imd. Eff. July 21, 1992

**125.2459 Authority board; term of office; appointment or election of successors; conduct of election; list of record owners; votes cast by record owners.**

**Sec. 9.**

(1) Except as provided in section 8 for the first authority board and as may be provided in a contract entered into pursuant to section 38, the term of office of a member of the authority board is 6 years.

(2) Except as may be provided in a contract entered into pursuant to section 38, the county board of commissioners or the township board, as the case may be, that nominated a member of the first authority board appointed under section 8(4)(b)(iv), (c)(iv), (d)(iv), or (d)(v) shall appoint that member's successors. The state treasurer shall appoint the successors of a member of the first authority board appointed under section 8(4)(a)(ii), (a)(iii), (b)(ii), (b)(iii), (c)(ii), (c)(iii), (d)(ii), or (d)(iii). However, on or after the later of the date on which no indebtedness of the authority issued pursuant to this act is outstanding or 6 years after the date on which the authority was established, successors of a member of the first authority board appointed under section 8(4)(a)(ii), (a)(iii), (b)(ii), (b)(iii), (c)(ii), (c)(iii), (d)(ii), or (d)(iii) shall be elected by the record owners of real property located within the authority district as provided in subsections (4) and (5)(b).

(3) The successors to a member of the authority board appointed pursuant to section 8(4)(a)(i), (b)(i), (c)(i), or (d)(i) shall be elected by the record owners of real property located within the authority district as provided in subsections (4) and (5).

(4) An election under subsection (2) or (3) shall be conducted at the annual meeting of the authority board under section 12 immediately preceding the expiration of the term of the member of the authority board whose successor is to be elected. The authority board may provide by resolution for the manner of conducting an election of a member of the authority board.

(5) At the request of the authority board for the purpose of conducting an election, the county register of deeds shall prepare and submit to the authority board a certified list of the names and mailing addresses of the record owners of real property located within the authority district. For each record owner of 1 or more acres, the list shall specify the number of acres owned. In an election, each record owner of real property located within the authority district may cast the following number of votes:

(a) At an election other than an election described in subdivision (b), 1 vote. However, a record owner of 1 or more acres may instead cast 1 vote for each acre, or portion of an acre, owned by the record owner.

(b) At an election conducted on or after the later of the date on which no indebtedness of the authority issued pursuant to this act is outstanding or 6 years after the date on which the authority was established, 1 vote.

**History:** 1992, Act 173, Imd. Eff. July 21, 1992

#### **125.2460 Authority board; qualifications of members; certificate; oath of office.**

##### **Sec. 10.**

(1) An individual appointed by, or from nominations made by, the county or township to the authority board shall be qualified by training or experience to perform the functions that are required of a member of the authority board by this act.

(2) Each individual appointed by, or from nominations made by, the county or township and each individual elected to the authority board shall be and remain during his or her term of office either a record owner of real property within the authority district or a resident of this state, but need not be a resident of the authority district or of the county or a township where the authority district is located. Each individual appointed by the state treasurer to the first authority board under section 8(4)(a)(ii), (b)(ii), (c)(ii), or (d)(ii) or to a subsequent authority board shall be and remain during his or her term of office an employee of the department. Each individual appointed to the first authority board under section 8(4)(a)(i), (a)(iii), (b)(i), (b)(iii), (c)(i), (c)(iii), (d)(i), or (d)(iii) and each successor to the member appointed under section 8(4)(a)(iii), (b)(iii), (c)(iii), or (d)(iii) shall reside within the county within which the authority district is located, and at least 1 such individual shall reside within a township within which the authority district is located.

(3) Upon appointing an individual to the authority board, the person making the appointment shall file a dated certificate certifying the name, address, and term of office of the individual appointed with the secretary of state and shall provide a copy to the individual appointed and, in the case of an appointment to the first authority board, to the person who filed the petition under section 4. Upon election of an individual to the authority board, the secretary of the authority shall file a dated certificate certifying the name, address, and term of office of the individual elected with the secretary of state and shall provide a copy to the individual elected.

(4) An individual elected or appointed to the authority board shall qualify by taking, subscribing, and filing the constitutional oath of office not more than 14 days after the date of the certificate certifying his or her election or appointment. The oath shall be filed with the secretary of state.

**History:** 1992, Act 173, Imd. Eff. July 21, 1992

#### **125.2461 Authority board; removal of member.**

##### **Sec. 11.**

(1) The governor shall remove an elected or appointed member of the authority board if the governor is satisfied from the evidence submitted that the member is guilty of official misconduct, willful neglect of duty, extortion, or habitual intoxication, or has been convicted of a misdemeanor of which intoxication is an element. The governor shall not act upon the charges made against the member of the authority board until the charges are made in writing, verified by the affidavit of the party making the charges that the party believes the charges to be true. In addition, a member of the authority board shall not be removed for official misconduct or willful neglect of duty unless a copy of the charges is served on the member of the authority board, and the member of the authority board is given an opportunity to be heard in his or her defense. The service of the charges upon the member of the authority board shall be made by handing to the member of the authority board a copy of the charges, together with

any affidavits or exhibits that accompanied the charges, if the member of the authority board can be found. If the member of the authority board cannot be found, a copy shall be left at the last place of residence of the member of the authority board with a person of suitable age, if a person of suitable age can be found. If a person of suitable age cannot be found, a copy shall be posted in a conspicuous place upon the last known place of residence of the member of the authority board. A member of the authority board who is removed pursuant to this subsection is not eligible for election or appointment to an authority board office for a period of 3 years after the date of removal from office.

(2) In addition to removal under subsection (1), a member of the first authority board appointed under section 8(4)(a)(i), (b)(i), (c)(i), or (d)(i) may be removed from office by filing with the state treasurer a petition signed by 2/3 of the record owners of real property located within the district. Not more than 14 days after the receipt of the petition, the state treasurer shall determine the sufficiency of the petition. If the petition is sufficient, the state treasurer shall immediately send notice of the removal by certified mail to the authority board, the person filing the petition for removal, and the member of the authority board being removed. The removal is effective upon the date of receipt of the notice by the authority board.

(3) In addition to removal as provided in subsection (1), a member of the first authority board appointed by the state treasurer pursuant to section 8(4)(a)(ii), (a)(iii), (b)(ii), (b)(iii), (c)(ii), (c)(iii), (d)(ii), or (d)(iii) or any of that member's successors appointed by the state treasurer may be removed at the pleasure of the state treasurer, with or without cause. In addition to removal as provided in subsection (1), a member of the authority board nominated or appointed by a township board or county board of commissioners may be removed at the pleasure of the township board or county board of commissioners, respectively, with or without cause.

**History:** 1992, Act 173, Imd. Eff. July 21, 1992

#### **125.2462 Authority board; vacancy.**

##### **Sec. 12.**

(1) If any of the following occur, a vacancy is created on the authority board:

- (a) The death of an incumbent.
- (b) The resignation of an incumbent.
- (c) The removal of an incumbent pursuant to section 11.
- (d) An incumbent's conviction of a felony or a crime involving the violation of his or her oath of office.
- (e) The decision of a competent tribunal declaring void an individual's election or appointment to the authority board.

(f) The failure of an individual to satisfy a requirement of section 10(2).

(g) The failure of an individual to qualify for office as provided by section 10(4).

(2) If an individual appointed to the first authority board under section 8(4)(b)(iv), (c)(iv), (d)(iv), or (d)(v) vacates office, an individual shall be appointed to fill the vacancy for the remainder of the term by the county board of commissioners, or the township board, as the case may be, that nominated the individual vacating office. If an individual appointed to the first authority board under section 8(4)(a)(ii), (a)(iii), (b)(ii), (b)(iii), (c)(ii), (c)(iii), (d)(ii), or (d)(iii), an individual shall be appointed to fill the vacancy for the remainder of the term by the state treasurer. If an individual appointed to the authority board, other than an individual appointed to the first authority board under section 8, vacates office, an individual shall be appointed to fill the vacancy for the remainder of the term by the same person by which the individual vacating office was appointed. An individual shall be appointed to fill a vacancy under this subsection not more than 30 days after the vacancy is created.

(3) If an individual appointed to the first authority board under section 8(4)(a)(i), (b)(i), (c)(i), or (d)(i) or elected pursuant to section 9(2) or (3) vacates office, a successor shall be elected to serve for the remainder of the term. The successor shall be elected at the next regular authority election, if a regular election is scheduled to be held not more than 90 days after the vacancy is created, or at a special election to be held not more than 60 days after the vacancy is created. Except with respect to the date of the election, sections 9(4) and (5) and 10(3) govern an election under this subsection.

**History:** 1992, Act 173, Imd. Eff. July 21, 1992

**125.2463 Authority board; quorum; annual meeting; special meeting; compliance with open meetings act; writings.**

Sec. 13.

(1) A quorum of the authority board consists of a majority of the members of the authority board elected or appointed and serving.

(2) The authority board shall hold an annual meeting within 30 days after the close of a fiscal year of the authority. The fiscal year of the authority shall be the same as the fiscal year of the township in which the authority district is located or, if the authority district is located in 2 townships with different fiscal years, the fiscal year of the township in which the greater portion of the authority district is located.

(3) The director of the authority, if a director is appointed under section 15, or a member of the authority board may call a special meeting of the authority board by giving written notice of the time, date, place, and purpose of the special meeting to each member of the authority board not less than 14 or more than 28 days before the date of the meeting either personally or by certified mail. Two members of the authority board may reschedule a special meeting by jointly giving notice of a later time and date that is not more than 7 days after the date for which the original meeting is scheduled to every other member of the authority board. The notice of the rescheduling shall be given before the time for which the original meeting is scheduled by certified mail, return receipt requested, telephone, facsimile communication, or personal delivery.

(4) By attending a special meeting, a member of the authority board waives objections to both of the following:

(a) Lack of notice or defective notice of the special meeting, unless, at the beginning of the meeting, the member of the authority board objects to holding the meeting or transacting business at the meeting.

(b) Consideration of a matter at a meeting that is not within the purpose described in the meeting notice, unless, when the matter is presented, the member of the authority board objects to considering the matter.

(5) The business which the authority board may perform shall be conducted at a public meeting of the authority board held in compliance with the open meetings act, Act No. 267 of the Public Acts of 1976, being sections 15.261 to 15.275 of the Michigan Compiled Laws.

(6) A writing prepared, owned, used, in possession of, or retained by the authority in the performance of an official function is subject to the freedom of information act, Act No. 442 of the Public Acts of 1976, being sections 15.231 to 15.246 of the Michigan Compiled Laws.

**History:** 1992, Act 173, Imd. Eff. July 21, 1992

**125.2464 Authority board; election of chairperson, treasurer, secretary, and other officers; duties; compensation; expenses; personal liability.**

Sec. 14.

(1) The authority board shall elect from among its members a chairperson, a treasurer, a secretary, and other officers that it considers necessary or convenient for carrying out the purposes of this act. The treasurer shall receive and invest funds of the authority and pay over and account for the funds. The treasurer shall also keep the financial records of the authority and, together with the director, if a director is appointed under section 15, shall approve all vouchers for the expenditure of funds of the authority. The treasurer shall perform other duties delegated by the authority board. The secretary shall maintain custody of the official seal and of records, books, documents, or other papers not required to be maintained by the treasurer. The secretary shall attend meetings of the authority board, keep a record of its proceedings, and perform other duties delegated by the authority board.

(2) A member of the authority board shall not receive compensation for services rendered to the authority in any capacity, but is entitled to reimbursement or payment of expenses, including traveling expenses, necessarily incurred in the discharge of duties performed as a member of the board.

(3) A member of the authority board is not subject to personal liability for, or because of the issuance of, bonds or notes of the authority. The authority board may provide for the purchase of insurance indemnifying the members of the authority board from personal liability for the acts or omissions of the board.

**History:** 1992, Act 173, Imd. Eff. July 21, 1992

**125.2465 Authority board; appointment of director, assistant director, assistant treasurer, and assistant secretary; duties; bond; legal counsel; employees; compensation.**

Sec. 15.

(1) The authority board may appoint a director of the authority, who shall serve at the pleasure of the authority board. Before entering upon the duties of the office, the director shall take and subscribe to the constitutional oath of office and shall furnish a bond in an amount determined by the authority board.

(2) The director shall be the chief executive officer of the authority. Subject to the approval of the authority board, the director shall supervise and be responsible for the preparation of plans and the performance of the functions of the authority in the manner authorized by this act. The director shall attend the meetings of the authority board and shall regularly report to the authority board the activities and financial condition of the authority. The director shall furnish the authority board with additional information or reports governing the operation of the authority as the authority board requires.

(3) If the director is absent or disabled, the authority board may designate an acting director to perform the duties of the director. Before performing the duties of the director, the acting director shall take and subscribe to the constitutional oath of office and furnish a bond as required of the director.

(4) The authority board may appoint an assistant treasurer of the authority. The assistant treasurer shall perform duties of the treasurer delegated to the assistant treasurer by the authority board and shall furnish a bond.

(5) The premium on a bond required under this section is payable from funds available to the authority from operating expenses. The bond shall meet all of the following requirements:

(a) Be payable to the authority for the use and benefit of the authority.

(b) Be approved by the authority board.

(c) Be filed with the secretary of the authority.

(6) The authority board may appoint an assistant secretary of the authority. The assistant secretary shall perform duties of the secretary delegated to the assistant secretary.

(7) The authority board may retain legal counsel to advise the board in the proper exercise of its powers and performance of its duties. The legal counsel may represent the authority in actions brought by or against the authority.

(8) The authority board may employ other personnel considered necessary by the authority board.

(9) The authority board may authorize and fix the compensation of an individual appointed or employed under this section. A member of the authority board is not eligible to be appointed or employed under this section.

**History:** 1992, Act 173, Imd. Eff. July 21, 1992

**125.2466 Authority board; powers; establishment and maintenance of office.**

Sec. 16.

(1) The authority board may do 1 or more of the following:

(a) Carry out an improvement.

(b) Implement a plan of development necessary or desirable to improve blighted areas and promote residential, recreational, or commercial development in the authority district in accordance with the powers of the authority as granted by this act.

(c) Make and enter into a contract necessary or incidental to the exercise of the authority board's powers and the performance of its duties.

(d) Acquire by purchase, condemnation, or otherwise on terms and conditions and in a manner the authority board considers proper, own, lease as lessor or lessee, convey, demolish, relocate, rehabilitate, or otherwise dispose of real or personal property, or rights or interests in the property, and grant or acquire a license, easement, or option with respect to the property as the authority board determines is reasonably necessary to achieve the purposes of this act. The state treasurer shall exercise the power of condemnation on behalf of the authority board pursuant to the uniform condemnation procedures act, Act No. 87 of the Public Acts of 1980, being sections 213.51 to 213.77 of the Michigan Compiled Laws. The state treasurer shall not condemn property located outside the authority district.

(e) Fix, charge, and collect rents, fees, and charges including, but not limited to, tap-in fees and use charges, for the use of property under the authority board's control or for a service, and pledge the rents, fees, and charges for

the payment of revenue bonds issued by the authority pursuant to the revenue bond act, Act No. 94 of the Public Acts of 1933, being sections 141.101 to 141.140 of the Michigan Compiled Laws.

(f) Lease a building or property or part of a building or property under the authority board's control.

(g) Incur costs in connection with the performance of the authority board's authorized functions including, but not limited to, administrative costs and architectural, engineering, legal, and accounting fees.

(2) The authority board shall maintain an office in the county where the authority district is located. The authority board shall establish the office at its first meeting.

**History:** 1992, Act 173, Imd. Eff. July 21, 1992

#### **125.2467 Financing activities of authority.**

Sec. 17.

The activities of the authority may be financed from 1 or more of the following:

(a) Contributions of property, labor, or other things of value from a public or private source.

(b) Revenues from property, buildings, or facilities owned, leased, licensed, or operated by the authority or under its control, subject to the limitations imposed upon the authority by trusts or other agreements.

(c) Special assessments imposed by the authority board pursuant to this act and Act No. 162 of the Public Acts of 1962, being sections 211.741 to 211.746 of the Michigan Compiled Laws.

(d) Proceeds of bonds and notes issued pursuant to section 16 or 32.

(e) Money obtained from any other legal source approved by the authority board.

**History:** 1992, Act 173, Imd. Eff. July 21, 1992

#### **125.2468 Authority board; making and financing improvements; conditions for improving roads; petition objecting to improvement; filing; petition supporting improvement; additional copies; validity of signatures.**

Sec. 18.

(1) An authority board may carry out an improvement, provide for the payment of an improvement by the issuance of bonds as provided in section 32, and determine that the whole or any part of the cost of an improvement shall be defrayed by special assessments against property located within the authority district and especially benefited by the improvement. The cost of architectural, engineering, legal, and accounting services and all expenses, including expenses under section 37, incident to the proceedings for the making and financing of the improvement shall be considered to be a part of the cost of the improvement.

(2) A road under the jurisdiction of either the state transportation department or the board of county road commissioners shall not be improved under this act without the written approval of the state transportation department or the board of county road commissioners. As a condition to the granting of the approval, the state transportation department or the board of county road commissioners may require 1 or more of the following:

(a) That all engineering with respect to the improvement be performed by the state transportation department or the board of county road commissioners.

(b) That all construction, including the awarding of contracts for construction, in connection with the improvement be in accordance with the specifications of the state transportation department or the board of county road commissioners.

(c) That the cost of the engineering and supervision be paid to the state transportation department or the board of county road commissioners from the funds of the special assessment district.

(3) The authority board may proceed to carry out an improvement unless a petition objecting to the improvement is filed with the authority board at or before the hearing provided in section 19 signed by record owners representing 1/5 of the votes that could be cast in an election under section 9(5)(a).

(4) An authority board may require the filing of a petition supporting an improvement meeting the requirements of subsection (5) before proceeding with an improvement under this act.

(5) If a petition objecting to an improvement is filed as provided in subsection (3), or if the authority board

requires a petition supporting an improvement before proceeding, the authority board shall not proceed with the improvement until a petition supporting the improvement signed by record owners representing 2/3 of the votes that could be cast in an election under section 9(5)(a) is filed with the authority board.

(6) A petition filed under this section may be supplemented as to signatures by the filing of an additional signed copy or copies of the petition, and the validity of the signatures on a supplemental petition shall be determined by the records as of the day of filing the supplemental petition.

**History:** 1992, Act 173, Imd. Eff. July 21, 1992

**125.2469 Authority board; plans and estimate for improvement; filing; availability for public examination; resolution of intent to make improvement; designating special assessment district; notice; hearing; supplemental petition; actual incremental cost increase exceeding estimated incremental cost increase by 10%; notice; hearing; service of notice of proceedings.**

**Sec. 19.**

(1) Upon receipt of a petition supporting an improvement or upon determination of the authority board if a petition is not required under section 18, the authority board, if it desires to proceed with an improvement, shall cause to be prepared plans describing the improvement and the location of the improvement with an estimate of the cost of the improvement on a fixed or periodic basis, as appropriate. Upon receipt of the plans and estimate for an improvement, the authority board shall file a copy of the plans and estimate with the township clerk of each township where the authority district is located. Each such township clerk and the authority board shall keep the plans and estimates on file and available for public examination in their respective offices.

(2) If, after the receipt of the plans and estimate, the authority board desires to proceed with the improvement, the authority board by resolution shall tentatively declare its intention to make the improvement and tentatively designate the special assessment district against which the cost of the improvement is to be assessed. For each improvement carried out by the authority board, there may be a separate procedure under the special assessment provisions of this act, resulting in separate special assessment districts. Special assessment districts that are separate may be coterminous.

(3) The authority board shall fix a time and place to meet and hear any objections to the petition supporting the improvement, if such a petition was required, to the improvement, and to the special assessment district. The authority board shall cause notice of the hearing to be given as provided in section 20. The notice shall set forth all of the following:

(a) That the plans and estimates are on file in the offices of the township clerk of each township where the authority district is located and of the authority board for public examination. The notice shall set forth the address and hours of those offices.

(b) A description of the special assessment district.

(c) If periodic redeterminations of cost will be necessary without a change in the special assessment district, that those redeterminations may be made without further notice to record owners or parties in interest in the property.

(4) At the hearing or any adjournment of the hearing, which may be without further notice, the authority board shall hear any objections to the petition supporting the improvement, if such a petition was required, to the improvement, and to the special assessment district. The authority board may then revise the plans, estimate of cost, or special assessment district.

(5) Property shall not be added to the special assessment district unless notice is given as provided in section 20 to the record owners of the property in the entire special assessment district, and a hearing is afforded to the record owners. If a petition supporting the improvement is required because property is added to the special assessment district that makes the original petition supporting the improvement insufficient, then a supplemental petition shall be filed containing sufficient additional signatures of record owners.

(6) If, due to the nature of the improvement to be made, a periodic redetermination of costs will be necessary without a change in the special assessment district boundaries, the authority board shall include in its estimate of costs any projected incremental increases. If at any time during the term of the special assessment district an actual incremental cost increase exceeds the estimated incremental cost increase by 10% or more, notice shall be given as provided in section 20 and a hearing afforded to the record owners of property to be assessed.

(7) Railroad companies shall file in writing with the secretary of state the name and post office address of the person upon whom may be served notice of any proceedings under this act. After the name and address has been filed, notice in addition to the notice by publication shall be given to the person by registered mail, or personally, not more than 5 days after the first publication of the notice. An affidavit of the service shall be filed by the

authority board with the proof of publication of the notice.

**History:** 1992, Act 173, Imd. Eff. July 21, 1992

**125.2470 Notice of hearings in special assessment proceedings; effect of failure to give notice.**

Sec. 20.

(1) If an authority specially assesses property, notice of hearings in the special assessment proceedings shall be given as provided in this section.

(2) Notice of hearings in special assessment proceedings shall be given to the township clerk of each township where the authority district is located by first-class mail, not less than 10 days before the date of the hearing. Notice of hearings in special assessment proceedings shall also be given to each record owner of, or party in interest in, property to be assessed whose name appears upon the last township tax assessment records by first-class mail addressed to the record owner or party in interest at the address shown on the tax records, not less than 10 days before the date of the hearing. The last township tax assessment records means the last assessment roll for ad valorem tax purposes that was reviewed by the township board of review, as supplemented by any subsequent changes in the names or the addresses of the record owners or parties in interest listed on that roll. If a record owner's name does not appear on the township tax assessment records, notice shall be given by first-class mail addressed to the record owner at the address shown by the records of the county register of deeds not less than 10 days before the date of the hearing. Notice shall also be published twice before the hearing in a newspaper circulating in the township. The first publication shall be not less than 10 days before the date of the hearing.

(3) If a person claims an interest in real property and his or her name and correct address do not appear upon the last township tax assessment records, that person shall file immediately his or her name and address with the township supervisor of the township where the property is located. This filing is effective only for the purpose of establishing a record of the names and addresses of those persons entitled to notice of hearings in the special assessment proceedings. The supervisor shall immediately enter on the tax assessment records any changes in the names and addresses of record owners or parties in interest filed with the supervisor and at all times shall keep the tax assessment records current, complete, and available for public inspection.

(4) An authority officer whose duty is to give notice of hearings in special assessment proceedings may rely upon the last township tax assessment records and any filings under subsection (3) in giving notice of the hearing by mail. The method of giving notice by mail as provided in this section is the method that is reasonably certain to inform those to be assessed of the special assessment proceedings.

(5) Failure to give notice as required in this section does not invalidate an entire assessment roll but only the assessment on property affected by the lack of notice. A special assessment is not invalid as to any property if the record owner or the party in interest of that property actually received notice, waived notice, or paid any part of the assessment. If an assessment is declared void by court judgment, a reassessment against the property may be made.

**History:** 1992, Act 173, Imd. Eff. July 21, 1992

**125.2471 Authority board; proceeding with improvement; approval or determination; special assessment roll; limitations on total amount assessed.**

Sec. 21.

(1) If, after the hearing provided for in section 19, the authority board desires to proceed with an improvement, the authority board shall approve or determine by resolution all of the following:

(a) The carrying out of the improvement.

(b) The plans and estimate of cost as originally presented or as revised.

(c) The sufficiency of the petition supporting the improvement, if such a petition was required. After this determination, the sufficiency of the petition is not subject to attack except in an action brought in a court of competent jurisdiction not more than 30 days after the adoption of the resolution determining the sufficiency.

(d) The boundaries of the special assessment district and the term of the special assessment district's existence.

(e) If the nature of an improvement is such that a periodic redetermination of cost will be necessary without a

change in the special assessment district boundaries, the dates upon which the redeterminations shall be made. A redetermination of cost is subject to subsection (3).

(2) After satisfying the requirements of subsection (1), the authority board shall prepare a special assessment roll in which are entered and described all the parcels of land to be assessed in that township, with the names of the respective record owners of each parcel, if known, and, subject to subsection (3), the total amount to be assessed against each parcel of land.

(3) The total amount assessed against a parcel of land for an improvement shall not exceed the benefit to that parcel of land from the improvement and shall be the relative portion of the whole sum to be levied against all parcels of land in the special assessment district as the benefit to the parcel of land bears to the total benefit to all parcels of land in the special assessment district, pursuant to the direction of the authority board.

**History:** 1992, Act 173, Imd. Eff. July 21, 1992

**125.2472 Special assessment roll; filing; notice; hearing; objections; confirmation or annulment; endorsement; notice of special assessment; contents; filing petition to contest assessment with state tax tribunal; full disclosure of information.**

**Sec. 22.**

(1) After a special assessment roll is prepared by the authority board, the assessment roll shall be filed in the office of the authority board and the office of the township clerk of each township where the authority district is located. Before confirming the assessment roll, the authority board shall appoint a time and place when it will meet, review, and hear any objections to the assessment roll. The authority board shall give notice of the hearing and the filing of the assessment roll as required by section 20.

(2) A hearing under this section may be adjourned from time to time without further notice. A person objecting to the assessment roll of the authority shall file the objection in writing with the secretary of the authority before the close of the hearing or within such further time as the authority board may grant. After the hearing, the authority board, at the same or at a subsequent meeting, may confirm the special assessment roll as prepared by the authority board or as revised by the authority board or may annul the special assessment roll and provide for the preparation of a new roll.

(3) If a special assessment roll is confirmed, the secretary of the authority shall endorse on the assessment roll the date of the confirmation. Not more than 20 days after confirmation of the special assessment roll, the secretary of the authority shall send notice of the special assessment by first-class mail to each record owner of, or party of interest in, property to be assessed. If the nature of an improvement is such that a periodic redetermination of cost will be necessary without a change in the special assessment district boundaries, the notice shall state those changes may be made without further notice to record owners or parties in interest in the property. After the confirmation of the special assessment roll, all assessments on that assessment roll are final and conclusive unless a petition contesting an assessment is filed with the state tax tribunal pursuant to the tax tribunal act, Act No. 186 of the Public Acts of 1973, being sections 205.701 to 205.779 of the Michigan Compiled Laws.

(4) The authority shall take affirmative steps to provide for the full disclosure of information relating to the financing of improvements and to special assessments relating to real property within the authority district. The disclosure shall state that the amount assessed may not exceed the value of the benefits received from an improvement. The information shall be made available to all prospective residents of the authority district.

**History:** 1992, Act 173, Imd. Eff. July 21, 1992

**125.2473 Special assessment; payment; installments; amount; due date; interest; future due installments; delinquent payments; penalty.**

**Sec. 23.**

(1) The authority board may provide that special assessments are payable in 1 or more installments, but the amount of an installment shall not be less than 1/2 of any subsequent installment. The amount of each installment, if there is more than 1 installment, need not be extended upon the special assessment roll until after confirmation of

that assessment roll. Except as otherwise provided in section 19(5) or (6), the amount of installments for improvements subject to periodic cost revision may be extended upon the special assessment roll by the authority board without additional public hearings or public notice.

(2) The first installment of a special assessment shall be due on or before the time after confirmation as fixed by the authority board. Subsequent installments are due at intervals of 12 months from the due date of the first installment or from a date fixed by the authority board.

(3) All unpaid installments, before their transfer to the tax roll as provided by this act, bear interest. The interest shall commence on a date fixed by the authority board, be payable annually on each installment due date, and be at a rate to be set by the authority board, not exceeding 1 of the following:

(a) One percent above the average rate of interest borne by special assessment bonds issued by the authority in anticipation of all or part of the unpaid installments.

(b) If the unpaid installments are to be applied to the payment of a contract obligation of an authority established pursuant to this act, to an authority established pursuant to any other law of this state, or to a county or are to be applied to the payment of an assessment obligation of an authority established pursuant to this act to a drainage district, 1 of the following:

(i) One percent above the average rate of interest borne by bonds issued by the authority established pursuant to any other law of this state, the county, or the drainage district.

(ii) If bonds are not issued by the authority established pursuant to any other law of this state, the county, or the drainage district, 8% annually.

(4) Future due installments of an assessment against any parcel of land may be paid to the township treasurer at any time in full, with interest accrued through the month in which the final installment is paid.

(5) If an installment of a special assessment is not paid when due, then the installment shall be considered to be delinquent and there shall be collected, in addition to interest as provided by this section, a penalty at the rate of not more than 1% for each month, or fraction of a month, that the installment remains unpaid before being reported to the authority board for reassessment upon the township tax roll pursuant to section 25.

**History:** 1992, Act 173, Imd. Eff. July 21, 1992

#### **125.2474 Special assessment as lien.**

Sec. 24.

From the date of confirmation of the roll, special assessments contained in a special assessment roll, including any part of a special assessment deferred as to payment, are a lien upon the respective parcels of land assessed. The lien shall be of the same character and effect as the lien created for township taxes and shall include accrued interest and penalties. A judgment or any act of the authority board vacating a special assessment does not destroy or impair the lien of the authority upon the premises assessed for the amount of the assessment as may be equitably charged against the premises, or as by a regular mode of proceeding might be lawfully assessed on the premises.

**History:** 1992, Act 173, Imd. Eff. July 21, 1992

#### **125.2475 Special assessment; collection; warrant; entering on tax roll.**

Sec. 25.

When a special assessment roll is confirmed, the authority board shall direct the assessments made on the roll to be collected. The secretary of the authority shall then deliver to the township treasurer the special assessment roll, to which he or she shall attach his or her warrant commanding the township treasurer to collect the assessments in accordance with the directions of the authority board. The warrant shall further require the township treasurer on the September 1 following the date when the assessments or any part of the assessments have become due to submit to the authority board a sworn statement setting forth the names of the persons delinquent, if known, a description of the parcels of land upon which there are delinquent assessments, and the amount of the delinquency, including accrued interest and penalties computed to September 1 of that year. Upon receiving the special assessment roll and warrant, the township treasurer shall enter the special assessments directly in a separate column

on the next tax roll. The township treasurer shall proceed to collect the several amounts assessed on the roll as those amounts become due.

**History:** 1992, Act 173, Imd. Eff. July 21, 1992

**125.2476 Special assessment; certification of delinquency; reassessment on annual township tax roll.**

Sec. 26.

If, pursuant to section 25, the township treasurer reports as delinquent any assessment or part of an assessment, the authority board shall certify the delinquent sum to the supervisor of the township where the parcel is located. The supervisor shall reassess on the annual township tax roll for the year in a column headed "special assessments" the delinquent sum, with interest and penalties to September 1 of that year, and an additional penalty of 6% of the total amount. The statutes relating to township taxes are applicable to the reassessments.

**History:** 1992, Act 173, Imd. Eff. July 21, 1992

**125.2477 Special assessment; payment by township or county to authority board.**

Sec. 27.

The township treasurer or county treasurer shall promptly pay to the authority board treasurer any special assessment payments for an improvement under this act collected by the township treasurer or county treasurer.

**History:** 1992, Act 173, Imd. Eff. July 21, 1992

**125.2478 Special assessment; apportionment of uncollected amounts on divisions of land; notice of hearing.**

Sec. 28.

If a parcel of land is divided after a special assessment on the land is confirmed, and before the special assessment is collected, the authority board may apportion the uncollected amounts between the several divisions of the parcel. Upon confirmation by the authority board, the apportionment is conclusive upon all parties. However, if the interested parties do not agree in writing to the apportionment, then before the confirmation, notice of hearing shall be given to the interested parties, by personal service as provided in section 20 for an original assessment roll.

**History:** 1992, Act 173, Imd. Eff. July 21, 1992

**125.2479 Special assessment; insufficient or surplus amount collected.**

Sec. 29.

(1) If the assessments in a special assessment roll are insufficient for any reason, including the noncollection of the assessments, to pay for the improvement for which they were made or to pay the principal and interest on the bonds issued in anticipation of the collection of the special assessments, then the authority board shall make additional pro rata assessments to supply the deficiency, but the total amount assessed against any parcel of land

shall not exceed the value of the benefits received from the improvement.

(2) If the total amount collected on assessments is larger than necessary by more than 5% of the original roll, the surplus shall be prorated among the properties assessed in accordance with the amount assessed against each and refunded to the persons who are the respective record owners of the properties on the date of the passage of the resolution ordering the refund. A surplus of 5% or less may be retained by the authority and used for authority purposes or may be prorated and refunded as provided in this section.

**History:** 1992, Act 173, Imd. Eff. July 21, 1992

#### **125.2480 Invalid special assessment; effect; proceeding for reassessment and collection.**

Sec. 30.

If, in the opinion of the authority board, a special assessment is invalid by reason of irregularities or informalities in the proceedings, or if any court or other tribunal of competent jurisdiction adjudges the assessment to be illegal, the authority board, whether the improvement has been made or not and whether any part of the assessment has been paid or not, may proceed from the last step at which the proceedings were legal and cause a new assessment to be made for the same purpose for which the former assessment was made. Proceedings on the reassessment and for the collection of the reassessment shall be conducted in the same manner as provided for the original assessment. If an assessment or any part of the assessment levied upon any premises is so set aside and has been paid and not refunded, the payment so made shall be applied upon the reassessment.

**History:** 1992, Act 173, Imd. Eff. July 21, 1992

#### **125.2481 Resolution of public or private corporation to pay special assessments.**

Sec. 31.

The governing body of a public or private corporation whose property is exempt by law from the special assessments may adopt a resolution to pay the special assessments against the property. If such a resolution is adopted, the special assessments are a valid claim against the corporation.

**History:** 1992, Act 173, Imd. Eff. July 21, 1992

#### **125.2482 Authority board; bonds and notes; issuance; amount.**

Sec. 32.

(1) After the special assessment roll for an improvement is confirmed, the authority board may borrow money and issue the bonds and notes of the authority in anticipation of the collection of special assessments to defray all or any part of the cost of the improvement. The bonds and notes shall not exceed the amount of the special assessments in anticipation of the collection of which they are issued. Bonds or notes may be issued in anticipation of the collection of special assessments levied in respect to 1 or more improvements.

(2) The issuance of bonds and notes under this section is subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

**History:** 1992, Act 173, Imd. Eff. July 21, 1992 ;-- Am. 2002, Act 242, Imd. Eff. Apr. 29, 2002

**125.2483 Obligations assessed or contracted for pursuant to MCL 123.731 to 123.786 and MCL 280.1 to 280.630.**

Sec. 33.

The authority board may determine that the whole or any part of an obligation of the authority assessed or contracted for pursuant to Act No. 185 of the Public Acts of 1957, being sections 123.731 to 123.786 of the Michigan Compiled Laws, or the drain code of 1956, Act No. 40 of the Public Acts of 1956, being sections 280.1 to 280.630 of the Michigan Compiled Laws, shall be defrayed by special assessments against the property specially benefited. The special assessments may be levied and collected in accordance with this act except as provided in this section. The requirements of section 18 with respect to a petition and section 19 with respect to a hearing do not apply to any special assessments levied and collected pursuant to this section and Act No. 185 of the Public Acts of 1957 or Act No. 40 of the Public Acts of 1956.

**History:** 1992, Act 173, Imd. Eff. July 21, 1992

**125.2484 Use of money earned, received, or charged under certain conditions.**

Sec. 34.

Interest earned from the investment of money collected under a special assessment under this act, of money received as bond proceeds from a bond issued under section 32, or of money from interest or penalties charged and collected on an unpaid special assessment under this act shall only be used for the following:

- (a) To pay for the improvement for which the special assessment is assessed.
- (b) To pay the principal and interest of bonds that are issued for the improvement for which the special assessment is assessed.
- (c) To pay the principal and interest of an advance from the authority that is used for the improvement for which the special assessment is assessed.

**History:** 1992, Act 173, Imd. Eff. July 21, 1992

**125.2485 Authority; bonds and notes; issuance; sale; exemption from certain taxes; investment.**

Sec. 35.

(1) Bonds and notes issued by the authority shall be issued in the name of the authority and not in the name of the county in which the authority district is located or a township in which all or part of the authority district is located. The county in which the authority district is located or a township in which all or part of the authority district is located is not liable on bonds or notes of the authority and the bonds and notes are not a debt of the county or township.

(2) Except to the extent that the revenue bond act, Act No. 94 of the Public Acts of 1933, being sections 141.101 to 141.140 of the Michigan Compiled Laws, provides otherwise with respect to revenue bonds issued pursuant to Act No. 94 of the Public Acts of 1933, bonds and notes issued by the authority may be sold at public or private sale.

(3) Bonds and notes issued by the authority are exempt from all taxation except inheritance and transfer taxes, and the interest on the bonds and notes is exempt from all taxation in this state, notwithstanding that the interest may be subject to federal income tax. The bonds and notes of the authority may be invested in by all public offices, state agencies, political subdivisions, insurance companies, banks, savings and loan associations, investment companies, and fiduciaries and trustees, and may be deposited with and received by all public officers and the agencies and political subdivisions of this state for any purpose for which the deposit of bonds is authorized.

**History:** 1992, Act 173, Imd. Eff. July 21, 1992

#### **125.2486 Authority; powers and limitations.**

Sec. 36.

(1) The authority is a body politic and corporate.

(2) The authority is not a taxing unit or local taxing unit for purposes of sections 87b to 87g of the general property tax act, Act No. 206 of the Public Acts of 1893, being sections 211.87b to 211.87g of the Michigan Compiled Laws.

**History:** 1992, Act 173, Imd. Eff. July 21, 1992

#### **125.2487 Reimbursement of expenses to county or township.**

Sec. 37.

The county within which the authority district is located or a township in which all or part of the authority district is located may charge the authority, and the authority shall reimburse the county or township, for expenses reasonably incurred by the county or township in satisfying the requirements of this act. If requested by the county or township, the authority shall enter into a contract with the county or township for and limited to the reimbursement of such expenses.

**History:** 1992, Act 173, Imd. Eff. July 21, 1992

#### **125.2488 Transfer of property within authority district.**

Sec. 38.

(1) A township in which all or a portion of an authority district is located may transfer all or a portion of the property in that township that is within the authority district to a local unit pursuant to Act No. 425 of the Public Acts of 1984, being sections 124.21 to 124.30 of the Michigan Compiled Laws. A transfer of property within an authority district by a township under Act No. 425 of the Public Acts of 1984 does not affect the validity or continued existence of the authority.

(2) The contract for the conditional transfer of property may provide that appointments to the authority board authorized to be made by a township or county shall be made as provided in the contract for conditional transfer of property.

(3) The contract for the conditional transfer of property may provide for the transfer of a function or duty otherwise assigned by this act to the township from which the property is transferred, as provided by Act No. 425 of the Public Acts of 1984.

(4) Notwithstanding any other provision of this act, a local unit to which property within an authority district is transferred, and its public officials, officers, employees, agents, and appointees, have the same authority, rights, immunities, and duties under this act as a township, its public officials, officers, employees, agents, and appointees in carrying out a function or duty assumed by the local unit under subsection (3).

(5) If the local unit to which property is transferred has jurisdiction over roads, then it shall have the same power over roads as granted to the board of county road commissioners under section 18(2).

**History:** 1992, Act 173, Imd. Eff. July 21, 1992