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BILL ANALYSIS

Senate Fiscal Agency

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Senate Bill 352

Sponsor: Senator Dick Posthumus

Committee: Local Government and Veterans

Date Completed: 5-3-89

**SUMMARY OF SENATE BILL 352 as introduced 4-20-89:****The bill would create the "Metropolitan Council Act" to:**

- Authorize local governments in a metropolitan area, with a population of less than one million people, to form a metropolitan council.
- Specify that a metropolitan council would be considered an authority under the State Constitution.
- Prescribe the powers and duties of metropolitan councils.
- Authorize a council to require each participating local government to pay the council 0.2 mills on all taxable property in the local government.
- Authorize a metropolitan council to levy up to 0.5 mills on the taxable property in the council area, upon voter approval of the proposed tax.
- Provide for a local government to join or withdraw from a metropolitan council after it had been incorporated.

**Formation of a Metropolitan Council**

A combination of two or more local governmental units (a county, township, city, or village) in a metropolitan area (meaning a metropolitan statistical area, as defined by the U.S. Department of Commerce or a successor agency, with a population of less than one million people) could form a metropolitan council by adopting bylaws pursuant to the bill's requirements.

The bill specifies that a council would be a corporate body with power to sue and be sued in any court of the State and would be an agency and instrumentality of the State. A council also would be an authority under Section 6 of Article IX of the State Constitution of 1963. (That Section establishes a 50-mill property tax limitation but creates an exception for, among other things, an authority whose tax limitations are provided by law.)

**Bylaws**

To the extent not set forth in the bill, a council's bylaws would have to state the council's name, the names of the participating local governmental units; the purposes for which council was formed; the power, duties, and limitations of the council and its officers; the qualifications, method of selection and terms of office of delegates sitting on the council and of council officers; the manner in which participating local governments would take part in the governance of the council; the method of amending the bylaws; and, any other matters that the participating local governmental units considered advisable.

**The bylaws could:**

- Require each participating local government to pay annually to the council an amount equal to 0.2 mills multiplied by the State equalized

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valuation (SEV) of all the taxable real and personal property within the local government. The bill would prohibit an increase in the total amount of ad valorem taxes imposed by a local government in order to generate such revenue.

- Authorize the council to levy on all the taxable real and personal property within the council area an ad valorem tax of up to 0.5 mills of the SEV on each dollar of assessed valuation of taxable property within the council area. The levy of a tax under this provision would be subject to provisions in the bill requiring an election on a tax proposal.

A council's bylaws would have to be adopted by an affirmative vote of a majority of the members of the legislative body of each participating local government.

The bill outlines requirements as to publication in a newspaper of the bylaws before they were adopted; the endorsement on a specified form by a clerk of a local government that the bylaws were adopted; and, the filing of a printed copy of the bylaws with the Secretary of State and the clerk of each county in which all or part of the council area was located.

#### Council Officers

A council would have to have a chair who would act as principal executive officer and preside at council meetings. Meeting times and places would be fixed by the council and special meetings could be called by a majority of the council delegates or by the chair. The chair also would be required to organize the work of the council; appoint administrative officers, subject to the council's approval; and, carry out the council's policy decisions.

A council also could have other officers that it considered necessary. These officers would be elected by the council and would have to be council delegates. A secretary and treasurer would not have to be council delegates.

Upon recommendation of the chair, a council could appoint an executive director to serve at the council's pleasure as the principal

administrator for the council. The director would have to be selected on the basis of training and experience in the field of municipal and urban affairs. If specifically authorized by law, a council could make appointments to other governmental agencies.

The bill also provides for the per diem compensation and expense reimbursement for council delegates. Compensation and reimbursement could be paid to the chair and other council delegates only if budgeted.

#### Council Duties

A council could:

- Propose standards, criteria, and suggested model ordinances to regulate the use and development of land and water within the metropolitan area.
- Plan, promote, finance, acquire, improve, enlarge, extend, own, construct, replace, and contract for public improvements and services in the council area, including but not limited to, the following: water and sewer public improvements; solid waste collection, recycling, and disposal; parks, museums, zoos, wildlife sanctuaries, and recreational facilities; special use facilities; ground and air transportation and facilities, including airports; economic development and planning for the council area; and, higher education public improvements and services.
- Establish and staff authorities to operate and maintain public services including, but not limited to, those regulating the use and development of land and water within the metropolitan area. If the council established a water and sewer authority, the authority would have exclusive power to issue permits for water and sewer extensions, hookups, and capital expenditures in the council area.
- Establish and staff divisions, bureaus, and committees, including advisory committees. Members of advisory committees would serve without compensation but could be reimbursed for reasonable expenses, as determined

by the council.

- Develop, in cooperation with other State agencies, departments and universities, a center for data collection and storage to be used by the council and other governmental users, and furnish information on subjects such as population, land use, and governmental finances.

A council also could do one or more of the following:

- Adopt rules of administration.
- Acquire and hold, by purchase, lease, grant, gift, devise, land contract, installment purchase contract, bequest, condemnation, or other legal means, real and personal property within or without the council area. The property could include franchises, easements, or rights of way on, under, or above any property. The council could pay for the property from, or pledge for the payment of the property, revenue of the council.
- Condemn property for water and sewer public improvements and services.
- Apply for and accept grants, loans, or contributions from the Federal government or any of its agencies, the State, or other public or private agencies to be used for any of the purposes in the bill.
- Sell, lease, or use for other purposes property acquired for the purposes of the bill but not needed for those purposes.
- Contract with an authority or local governmental unit of Michigan or another state, with an agency or instrumentality of Michigan or another state, or with a private person for service contracts, other than contracts for the operation or maintenance of a public improvement authorized in the bill, joint use contracts, or contracts for the construction of a public improvement authorized in the bill.
- Hire employees, attorneys, accountants, and consultants.

A council would be required to prepare budgets and appropriations acts as required of local governmental units in accordance with the

Uniform Budgeting and Accounting Act; and, if ending a fiscal year with a deficit, file a financial plan to correct the deficit in the same manner as provided in the State Revenue Sharing Act.

In instances in which studies were not otherwise authorized by law, a council could study the feasibility of programs relating to but not limited to water supply, refuse disposal, surface water drainage, communication, transportation, and other subjects of concern to the council area and could institute demonstration projects in connection with the studies.

A council could coordinate emergency services and community shelter planning within the council area and contract with local governmental agencies and consultants in connection with these purposes.

A council would possess all the powers needed, incidental, or convenient for carrying out the purposes of its formation. The bill specifies that the enumeration of specific powers in the bill should not be construed as a limitation on the general powers of a council.

A council would be subject to the Open Meetings Act and the Freedom of Information Act.

#### Taxing Authority and Election

A tax authorized to be levied by a council pursuant to the bill would have to be levied and collected at the same time and in the same manner as provided by the General Property Tax Act. A council could not levy a tax except upon the approval of a majority of the qualified and registered electors residing in the council area and voting on the tax.

A tax proposal could not be placed on the ballot unless it was adopted by resolution of the council and certified by the council at least 70 days before the election to the respective county clerks, as outlined in the bill. The proposal would have to state the amount and duration of the millage and be certified for inclusion on the ballot at the next general election, the State primary immediately preceding the

general election, or a special election at a proposed date within 45 days of a State primary or a general election, as specified by the council's resolution. A proposed special election date would have to be approved by the election scheduling committee of the largest county in the manner required in the Michigan Election Law. The bill outlines procedures for conducting the election.

The bill also would provide for the canvassing of the results of an election and for the payment by the council for the cost of conducting an election.

If a majority of the votes cast by voters residing in the council area on the tax proposal were in favor of the proposal, the tax levy would be authorized. No more than two elections could be held in a calendar year on a tax question.

#### Joining the Council

A local government could be added to a council after the council's incorporation upon satisfying the following requirements:

- A majority of the members elected to and serving on the legislative body of the local government voted to adopt a resolution stating that the local government wanted to be added to the council and that it accepted the requirements of the bylaws as amended to reflect the addition of the local governmental unit.
- Two-thirds of the council delegates voted to adopt a resolution amending the bylaws to reflect the addition of the local governmental unit, notwithstanding any requirements for amending the bylaws set forth in the bill.

Upon addition of a local government to a council, a printed copy of the amended bylaws would have to be filed, as required in the bill, by the clerk of the local government added to the council.

#### Withdrawal from the Council

A participating local government could

withdraw from membership in a council if all of the following conditions were met:

- A resolution requesting withdrawal was adopted by a majority of the members of the legislative body of the local government.
- Payment or the provision for payment was made regarding any obligations of the local government to the council or its creditors.

If, upon withdrawal, a local government had unpaid obligations to the council, a tax levied by the council before the withdrawal of the local government would have to continue to be levied in that local government until the obligations were paid or the tax expired, whichever happened first. A local government that withdrew from a council would continue to receive services from the council until the local government was no longer required to pay a tax levied by the council. Withdrawal of a local government from a council would have to be evidenced by an amendment to the bylaws executed by the recording officer of the council and filed and published in the same manner as the original bylaws.

Legislative Analyst: L. Arasim

#### FISCAL IMPACT

Senate Bill 352 would have no fiscal impact on State government. The bill would authorize a local property tax of up to 0.5 mills if approved by voters in the metropolitan council. An additional 0.2 mills of property tax revenue could be transferred from the participating local governmental units to the metropolitan council if the bylaws of the council required such a transfer.

Fiscal Analyst: G. Olson

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.