

Act No. 98  
Public Acts of 1989  
Approved by the Governor  
June 21, 1989  
Filed with the Secretary of State  
June 21, 1989

**STATE OF MICHIGAN  
85TH LEGISLATURE  
REGULAR SESSION OF 1989**

Introduced by Senators Barcia, Kelly, Cropsey and Miller

# **ENROLLED SENATE BILL No. 172**

AN ACT to amend the title of Act No. 312 of the Public Acts of 1929, entitled "An act to provide for the incorporation by any 2 or more cities, villages or townships, or any combination or parts of same, of a metropolitan district or districts comprising territory within their limits for the purpose of acquiring, owning and operating, either within or without their limits as may be prescribed herein, parks or public utilities for supplying sewage disposal, drainage, water, or transportation, or any combination thereof; to provide that any such district may sell or purchase, either within or without its limits as provided herein, sewage disposal, drainage rights, water, or transportation facilities; to provide that any such district shall have power to acquire and succeed to any or all of the rights, obligations and property of such cities, villages and townships respecting or connected with such functions or public utilities but subject to the approval thereof by a majority vote of the electors thereof voting thereon; to limit the rate of taxation of such districts for their municipal purposes and restrict their powers of borrowing money and contracting debts; to provide the method and vote by which charters may be framed, adopted and amended and laws and ordinances relating to its municipal concerns may be enacted and to define the powers, rights and liabilities of any such district," being sections 119.1 to 119.15 of the Michigan Compiled Laws; and to add sections 16, 17, and 18.

*The People of the State of Michigan enact:*

Section 1. The title of Act No. 312 of the Public Acts of 1929, being sections 119.1 to 119.15 of the Michigan Compiled Laws, is amended and sections 16, 17, and 18 are added to read as follows:

## **TITLE**

An act to provide for the incorporation by any 2 or more cities, villages, or townships, or any combination or parts thereof, of a metropolitan district comprising territory within their limits for the purpose of acquiring, owning, and operating parks or public utilities for supplying sewage disposal, drainage, water, or transportation, or any combination thereof; to provide that a district may sell or purchase sewage disposal, drainage rights, water, or transportation facilities; to provide that a district may acquire and succeed to the rights, obligations, and property of such cities, villages, and townships respecting or connected with such functions or public utilities but subject to the approval of a majority of the electors voting thereon; to limit the rate of taxation of a district for its municipal purposes and restrict its powers of borrowing money and contracting debts; to provide the method and vote by which charters may be framed, adopted, and amended and laws and ordinances relating to its municipal concerns may be enacted; to define the powers, rights, and liabilities of a district; and to provide for the dissolution of a district.

Sec. 16. A metropolitan district may be dissolved by resolution of the legislative body of the metropolitan district after the requirements of section 17 have been met.

Sec. 17. (1) Prior to dissolution of a metropolitan district under section 16, the legislative body of the metropolitan district shall do both of the following:

(a) Provide written notice to the legislative body of each city, village, and township included in the district of its intent to dissolve the metropolitan district.

(b) Prepare or cause to be prepared a financial report of the assets and liabilities of the metropolitan district. This report shall include an accounting of all money held by the district, a description of all obligations of the district, an appraisal or inventory of all other assets of the district, and a description of any encumbrances on these assets. A copy of this report shall be provided to the legislative body of each city, village, or township included in the metropolitan district.

(2) If the financial report of the metropolitan district under subsection (1) indicates that the assets of the district are greater than the liabilities, the legislative body of the metropolitan district shall prepare a plan for the disposition of the assets and liabilities of the district. This plan may include the disposal of assets in a manner the legislative body considers prudent to discharge or settle existing liabilities of the metropolitan district. The plan may also include the transfer of an asset or an assumable liability to any person, local unit of government, or other public authority. The plan shall provide for the proportional distribution of the assets remaining after all liabilities to each city, village, and township within the metropolitan district have been satisfied. The legislative body of each city, village, and township in the metropolitan district shall pass a resolution agreeing to a plan required under this subsection and agreeing to the dissolution of the district.

(3) If the assets of the metropolitan district are insufficient to meet existing liabilities, the legislative body of the district shall do either of the following:

(a) Raise taxes in the manner provided in this act to discharge the liabilities.

(b) Enter into a written agreement with the legislative body of each city, village, and township included in the district in which each city, village, and township agrees to assume a proportionate share of the liabilities of the district.

Sec. 18. (1) Upon dissolution of a metropolitan district under sections 16 and 17, the legislative body of the district shall deposit all records of the metropolitan district with the clerk of the county in which the district was located, or, if the district was located in more than 1 county, with the clerk of the county in which the largest part of the district was located, for safekeeping and reference.

(2) Upon dissolution of a metropolitan district, the legislative body of the district shall notify the governor, in writing, of the dissolution.

This act is ordered to take immediate effect.

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Secretary of the Senate.

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Clerk of the House of Representatives.

Approved .....

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Governor.