

# HOUSE BILL No. 6015

December 2, 2014, Introduced by Rep. Price and referred to the Committee on Local Government.

A bill to amend 1967 PA 204, entitled "Metropolitan transportation authorities act of 1967," by amending sections 16 and 17 (MCL 124.416 and 124.417), section 16 as amended by 2002 PA 328 and section 17 as amended by 1993 PA 350.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 16. (1) The authority may borrow money and issue bonds to  
2 finance and to carry out its powers and duties. The bonds shall be  
3 payable from and may be issued in anticipation of payment of the  
4 proceeds of any of the methods of financing described in section 14  
5 or elsewhere in this act or as may be provided by law. A political  
6 subdivision within the geographical boundaries of the authority may  
7 contract to make payments, appropriations, or contributions to the  
8 authority of the proceeds of taxes, special assessments, or charges

1 imposed and collected by the political subdivision or out of any  
 2 other ~~fund~~**MONEY** legally available and may pledge its full faith  
 3 and credit in support of its contractual obligation to the  
 4 authority. The contractual obligation ~~shall~~**IS** not ~~constitute~~ an  
 5 indebtedness of a political subdivision within a statutory or  
 6 charter debt limitation. If the authority has issued bonds in  
 7 anticipation of payments, appropriations, or contributions to be  
 8 made to the authority ~~pursuant to~~**UNDER A** contract by a political  
 9 subdivision ~~having~~**THAT HAS** the power to levy and collect ad  
 10 valorem taxes, the political subdivision may obligate itself by the  
 11 contract ~~, and thereupon~~ may levy a tax on all taxable property in  
 12 the political subdivision ~~, which tax as to~~**FOR CONTRACT**  
 13 **OBLIGATIONS IN ANTICIPATION OF WHICH BONDS ARE ISSUED, TO PROVIDE**  
 14 **SUFFICIENT MONEY TO FULFILL ITS CONTRACTUAL OBLIGATION TO THE**  
 15 **AUTHORITY. THE** rate or amount ~~will~~**OF THE TAX SHALL** be as provided  
 16 in section 6 of article IX of the state constitution of 1963. ~~for~~  
 17 ~~contract obligations in anticipation of which bonds are issued, to~~  
 18 ~~provide sufficient money to fulfill its contractual obligation to~~  
 19 ~~the authority.~~

20 (2) The bonds of the authority shall be issued and sold in  
 21 compliance with the revised municipal finance act, 2001 PA 34, MCL  
 22 141.2101 to 141.2821, except that the bonds may be issued for any  
 23 period of years, not exceeding 40 years.

24 (3) A public corporation may advance money or deliver property  
 25 to the authority to finance or to carry out its powers and duties.  
 26 The authority may agree to repay the advances or pay for the  
 27 property within a period not exceeding 10 years, from the proceeds

1 of its bonds or from other ~~funds~~ **MONEY** legally available for that  
2 purpose, with or without interest as may be agreed at the time of  
3 advance or of repayment. The obligation of the authority to make  
4 the repayment or payment may be evidenced by a contract or note or  
5 notes, which ~~contract or note~~ may pledge the full faith and credit  
6 of the authority.

7 (4) A political subdivision desiring to enter into a contract  
8 under subsection (1) shall authorize, by resolution of its  
9 governing body, the execution of the contract. ~~, which~~ **BEFORE**  
10 **JANUARY 1, 2015, A** resolution **AUTHORIZED UNDER THIS SUBSECTION**  
11 shall be published in a newspaper of general circulation within the  
12 political subdivision. ~~, and the~~ **BEGINNING JANUARY 1, 2015, A**  
13 **RESOLUTION AUTHORIZED UNDER THIS SUBSECTION SHALL BE PUBLISHED**  
14 **USING TIER B WITH A LINK PUBLIC NOTICE AS PROVIDED IN THE LOCAL**  
15 **GOVERNMENT PUBLIC NOTICE ACT. THE** contract may be executed without  
16 a vote of the electors on the contract upon the expiration of 90  
17 days after the date of the publication unless, within the 90-day  
18 period, a petition signed by not less than 5% of the registered  
19 electors residing within the limits of the political subdivision is  
20 filed with the clerk of the political subdivision requesting a  
21 referendum upon the execution of the contract, and in that event  
22 the contract shall not be executed until approved by the vote of a  
23 majority of the electors of the political subdivision qualified to  
24 vote and voting on the contract at a general or special election to  
25 be held not more than 90 days after the filing of the petition.  
26 (5) If the bonds or notes sold by the authority involve the  
27 pledge or use of state collected or administered funds, the

1 authority shall seek the approval of the state transportation  
2 commission.

3 (6) Notwithstanding any other provision of this section, an  
4 authority shall not issue bonds ~~nor~~ **AND SHALL NOT** use the  
5 revenues of the sale of bonds ~~for~~ the construction,  
6 reconstruction, maintenance, or operation of a subway unless  
7 approved by concurrent resolution by the legislature.

8 (7) Notes issued and contracts entered into under this section  
9 are not subject to the revised municipal finance act, 2001 PA 34,  
10 MCL 141.2101 to 141.2821.

11 Sec. 17. (1) Except ~~in~~ **FOR** the purchase of unique articles or  
12 articles which, for any other reason, cannot be obtained in the  
13 open market and except as otherwise provided in this section and in  
14 section 24, **THE AUTHORITY SHALL SECURE** competitive bids ~~shall be~~  
15 ~~secured~~ before any purchase or sale, by contract or otherwise is  
16 made or before any contract is awarded for construction,  
17 alterations, supplies, equipment, repairs, or maintenance or for  
18 rendering any services to the authority other than professional  
19 services; and the purchase shall be made from or the contract shall  
20 be awarded to the lowest responsive and responsible bidder; or a  
21 sale to the highest responsive and responsible bidder. The  
22 authority may reject any ~~and~~ **OR** all ~~such~~ bids or proposals. A  
23 purchase of ~~any~~ **A** unique article or other articles ~~which~~ **THAT**  
24 cannot be obtained in the open market shall not be made without  
25 express approval of the board ~~where~~ **IF** the amount involved is in  
26 excess of \$25,000.00.

27 (2) ~~All~~ **BEFORE JANUARY 1, 2015, ALL** purchases and sales in

1 excess of \$25,000.00 shall be awarded after advertising in a local  
2 newspaper of general circulation in the metropolitan area at least  
3 2 weeks before the bid opening. **BEGINNING JANUARY 1, 2015, ALL**  
4 **PURCHASES AND SALES IN EXCESS OF \$25,000.00 SHALL BE AWARDED AFTER**  
5 **USING TIER B WITH A LINK PUBLIC NOTICE AS PROVIDED IN THE LOCAL**  
6 **GOVERNMENT PUBLIC NOTICE ACT.** Bids shall be publicly opened and  
7 read aloud at a date, time, and place designated in the invitation  
8 to bid. Invitations to bid shall be sent at least 1 week before the  
9 bid opening to at least 3 potential bidders who are qualified  
10 technically and financially to submit bids, or a memorandum shall  
11 be kept on file showing that less than 3 potential bidders who are  
12 ~~se~~-qualified **TECHNICALLY AND FINANCIALLY TO SUBMIT BIDS** exist in  
13 the market area within which it is practicable to obtain bids.

14 (3) Except as otherwise provided in this section, written  
15 price quotations from at least 3 qualified and responsible vendors  
16 shall be obtained for all purchases and sales of \$25,000.00 or less  
17 but over \$5,000.00, or a memorandum shall be kept on file showing  
18 that less than 3 **QUALIFIED AND RESPONSIBLE** vendors ~~se~~-qualified  
19 exist in the market area within which it is practicable to obtain  
20 quotations.

21 (4) Purchases or sales under \$5,000.00 may be negotiated with  
22 or without competitive bidding under procurement procedures as  
23 promulgated and established by the general manager.

24 (5) Competitive bidding requirements may be waived if it is  
25 determined by the general manager, or in such other manner as the  
26 board may provide, by regulation, that an emergency directly and  
27 immediately affecting service, or public health, safety, or welfare

1 requires immediate delivery of supplies, materials, equipment, or  
2 services.

3 (6) Savings achieved by ~~the 1993 amendatory act that added~~  
4 ~~this subsection~~ **PA 350** shall be used as 1 funding source for funds  
5 ~~to construct~~ **THE CONSTRUCTION OF** bus shelters at SMART bus stops.  
6 In the case of a state ~~trunkline~~ **TRUNK LINE** highway, a bus shelter  
7 constructed by SMART may include advertising on the shelter. This  
8 project shall be competitively bid and shall be completed within 12  
9 months.

10 Enacting section 1. This amendatory act does not take effect  
11 unless House Bill No. 5560 of the 97th Legislature is enacted into  
12 law.