

Act No. 270
Public Act of 1988
Approved by the Governor
July 14, 1988
Filed by the Secretary of State
July 15, 1988

**STATE OF MICHIGAN
84TH LEGISLATURE
REGULAR SESSION OF 1988**

Introduced by Senators Carl, Shinkle, Posthumus, Pollack, Dingell and Cropsey

ENROLLED SENATE BILL No. 665

AN ACT to amend section 3 of Act No. 227 of the Public Acts of 1985, entitled "An act to create the Michigan municipal bond authority and to prescribe its powers and duties; to provide for the issuance of, and terms and conditions for, notes and bonds of the authority; to impose conditions on, grant certain powers to political subdivisions of the state regarding, and allow certain agreements regarding obligations of political subdivisions of the state purchased by the authority; to exempt the property, income, and operation of the authority, its bonds and notes, and the interest on its bonds and notes from certain taxes; and to grant powers and impose duties on officers and agencies of the state and political subdivisions of the state," being section 141.1053 of the Michigan Compiled Laws.

The People of the State of Michigan enact:

Section 1. Section 3 of Act No. 227 of the Public Acts of 1985, being section 141.1053 of the Michigan Compiled Laws, is amended to read as follows:

Sec. 3. As used in this act:

- (a) "Authority" means the Michigan municipal bond authority created in section 4.
- (b) "Board" means the board of trustees of the authority established in section 5.
- (c) "Bonds" means bonds of the authority issued as provided in this act with a maturity greater than 3 years.
- (d) "Fully marketable form" means a municipal obligation duly executed and accompanied by all of the following:
 - (i) An approving legal opinion of a bond counsel approved by the authority and of nationally recognized standing in the field of municipal law.
 - (ii) Closing documents in a form and substance satisfactory to the authority. The municipal obligation so executed need not be printed or lithographed nor be in more than 1 denomination.
 - (iii) Evidence that the pledge for payment of the municipal obligation will be sufficient to pay the principal of and interest on the municipal obligation when due.
 - (iv) An order of approval or an order of exception issued by the department of treasury under the municipal finance act, Act No. 202 of the Public Acts of 1943, being sections 131.1 to 139.3 of the Michigan Compiled Laws, which orders shall also include a certification that the condition of subparagraph (iii) has been met.
- (e) "Governmental unit" means a county, city, township, village, school district, intermediate school district, community college, public university, authority, district, any other body corporate and politic or other political subdivision, any agency or instrumentality of the foregoing, or any group self-insurance pool formed pursuant to Act No. 35 of the Public Acts of 1951, being sections 124.1 to 124.13 of the Michigan Compiled Laws. A governmental unit shall not include the Michigan strategic fund created pursuant to Act No. 270 of the Public Acts of 1984, being sections 125.2001 to 125.2093 of the Michigan Compiled Laws, or an economic development

corporation created under Act No. 338 of the Public Acts of 1974, being sections 125.1601 to 125.1636 of the Michigan Compiled Laws. After July 1, 1988, a governmental unit does not include a self-insurance pool unless the self-insurance pool has filed a certification by an independent actuary that the reserves set aside pursuant to section 7a of Act No. 35 of the Public Acts of 1951, being section 124.7a of the Michigan Compiled Laws, are adequate for the payment of claims.

(f) "Municipal obligation" means a bond or note or evidence of debt issued by a governmental unit for a purpose authorized by law.

(g) "Note" means a note of the authority issued as provided in this act, including commercial paper, with a maturity of 3 years or less.

(h) "Reserve fund" means a bond reserve fund or note reserve fund created and established under section 16.

(i) "Revenues" means all fees, charges, money, profits, payments of principal of or interest on municipal obligations and other investments, gifts, grants, contributions, and all other income derived or to be derived by the authority under this act.

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.