

SENATE BILL No. 665

January 28, 1988, Introduced by Senators CARL, SHINKLE, POSTHUMUS,
POLLACK, DINGELL and CROPSEY and referred to the Committee on
Finance.

A bill to amend section 3 of Act No. 227 of the Public Acts
of 1985, entitled
"Shared credit rating act,"
being section 141.1053 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 3 of Act No. 227 of the Public Acts of
2 1985, being section 141.1053 of the Michigan Compiled Laws, is
3 amended to read as follows:

4 Sec. 3. As used in this act:

5 (a) "Authority" means the Michigan municipal bond authority
6 created in section 4.

7 (b) "Board" means the board of trustees of the authority
8 established in section 5.

9 (c) "Bonds" means bonds of the authority issued as provided
10 in this act.

1 (d) "Fully marketable form" means a municipal obligation
2 duly executed and accompanied by both of the following:

3 (i) An approving legal opinion of a bond counsel approved by
4 the authority and of nationally recognized standing in the field
5 of municipal law.

6 (ii) Closing documents in a form and substance satisfactory
7 to the authority. The municipal obligation so executed need not
8 be printed or lithographed nor be in more than 1 denomination.

9 (iii) Evidence that the pledge for payment of the municipal
10 obligation will be sufficient to pay the principal of and inter-
11 est on the municipal obligation when due.

12 (iv) An order of approval or an order of exception issued by
13 the department of treasury under the municipal finance act, Act
14 No. 202 of the Public Acts of 1943, being sections 131.1 to 139.3
15 of the Michigan Compiled Laws, which orders shall also include a
16 certification that the conditions of subparagraphs (i) and (iii)
17 have been met.

18 (e) "Governmental unit" means a county, city, township, vil-
19 lage, school district, intermediate school district, community
20 college, public university, authority, district, ~~or~~ any other
21 body corporate and politic or other political subdivision, ANY
22 AGENCY OR INSTRUMENTALITY OF THE FOREGOING, OR ANY GROUP
23 SELF-INSURANCE POOL FORMED PURSUANT TO ACT NO. 35 OF THE PUBLIC
24 ACTS OF 1951, BEING SECTIONS 124.1 TO 124.13 OF THE MICHIGAN
25 COMPILED LAWS. In relation to the sale of private activity bonds
26 as defined in section 103(n) of the internal revenue code, a
27 governmental unit shall not include the Michigan strategic fund

1 created pursuant to Act No. 270 of the Public Acts of 1984, being
2 sections 125.2001 to 125.2093 of the Michigan Compiled Laws, or
3 an economic development corporation created under Act No. 338 of
4 the Public Acts of 1974, being sections 125.1601 to 125.1636 of
5 the Michigan Compiled Laws.

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

9 (g) "Notes" means notes of the authority issued as provided
10 in this act including commercial paper.

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

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