

HOUSE BILL No. 6074

September 25, 1990, Introduced by Reps. Pridnia and Nye and referred to the Committee on Towns and Counties.

A bill to amend sections 8, 8d, and 8f of Act No. 47 of the Public Acts of 1945, entitled as amended

"An act to authorize 2 or more cities, townships, and villages, or any combination of cities, townships, and villages, to incorporate a hospital authority for planning, promoting, acquiring, constructing, improving, enlarging, extending, owning, maintaining, and operating 1 or more community hospitals and related buildings or structures and related facilities; to provide for the sale, lease, or other transfer of a hospital owned by a hospital authority to a nonprofit corporation established under the laws of this state for no or nominal monetary consideration; to define hospitals and community hospitals; to provide for changes in the membership therein; to authorize the cities, townships, and villages to levy taxes for community hospital purposes; to provide for the issuance of bonds; to provide for the pledge of assessments; to provide for borrowing money for operation and maintenance and issuing notes for operation and maintenance; to validate elections heretofore held and notes heretofore issued; to validate bonds heretofore issued; to authorize condemnation proceedings; to grant certain powers of a body corporate; and to validate and ratify the organization, existence, and membership of entities acting as hospital authorities under the act and the actions taken by hospital authorities and by the members of the hospital authorities,"

section 8f as amended by Act No. 78 of the Public Acts of 1983, being sections 331.8, 331.8d, and 331.8f of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Sections 8, 8d, and 8f of Act No. 47 of the
2 Public Acts of 1945, section 8f as amended by Act No. 78 of the
3 Public Acts of 1983, being sections 331.8, 331.8d, and 331.8f of
4 the Michigan Compiled Laws, are amended to read as follows:

5 Sec. 8. The hospital authority board may issue
6 self-liquidating bonds of the HOSPITAL authority in accordance
7 with ~~the provisions of~~ this act, for the purpose of acquiring,
8 purchasing, constructing, improving, enlarging, or repairing com-
9 munity hospitals or refunding any outstanding bonds ~~theretofore~~
10 ~~issued~~ or for the joint purposes of refunding any outstanding
11 bonds together with the issuance of additional bonds for any of
12 the other purposes authorized UNDER THIS ACT. The bonds shall
13 not impose any liability upon the cities, villages, and townships
14 included in the hospital authority, other than on the amounts
15 ~~which~~ THAT are assessed against the respective municipalities
16 as provided for ~~herein~~ IN THIS ACT, which amounts or any por-
17 tion ~~thereof~~ may be pledged by the ~~governing body of the~~ hos-
18 pital authority BOARD for the payment of the bonds for a period
19 not exceeding 40 years. The amount ~~herein~~ required to be paid
20 by any municipality under this act shall be considered to be a
21 part of the revenues of the hospital authority and shall be first
22 used to meet the current requirements for the bond and interest
23 redemption fund, including the reserve requirements, ~~therefor,~~

1 for outstanding obligations of the hospital authority. ~~The~~
2 ~~bonds shall be sold for not less than par and shall bear interest~~
3 ~~at a rate not in excess of~~ THE BONDS MAY BE SOLD AT A DISCOUNT,
4 BUT SHALL NOT BE SOLD AT A PRICE THAT WOULD MAKE THE DISCOUNT
5 EXCEED 10% OF THE PAR AMOUNT OF THE BONDS OR AT A PRICE THAT
6 WOULD MAKE THE INTEREST COST ON THE MONEY BORROWED AFTER DEDUCT-
7 ING ANY PREMIUM OR ADDING ANY DISCOUNT EXCEED the maximum rate
8 permitted by THE MUNICIPAL FINANCE ACT, Act No. 202 of the Public
9 Acts of 1943, as amended, being sections 131.1 to ~~+38.2~~ 139.3
10 of the Michigan Compiled Laws.

11 Sec. 8d. (1) The resolution authorizing the issuance of
12 bonds shall state a brief description of the contemplated
13 project, the estimated cost ~~thereof~~ OF THE PROJECT, the esti-
14 mated period of usefulness ~~thereof~~ OF THE PROJECT, and the
15 amount and maximum rate of interest and time of payment of the
16 bonds. The bonds shall be serial bonds OR TERM BONDS, OR A COM-
17 BINATION OF SERIAL AND TERM BONDS AND SHALL BE payable either
18 semiannually or annually with the first installment not more than
19 5 years from the date ~~thereof~~ OF ISSUANCE OF THE BONDS and the
20 last installment not longer than the estimated period of useful-
21 ness of the project for which the bonds are issued. The bonds
22 shall bear interest payable semiannually, except that the first
23 ~~coupon~~ INTEREST PAYMENT may be for any number of months not
24 exceeding 10. Except as otherwise provided in this act an annual
25 installment payable after 4 years from the date ~~thereof may~~ OF
26 ISSUANCE OF THE BONDS SHALL not be less than 1/5 the amount of a
27 subsequent installment of the same series of bonds. The bonds

1 and coupons shall be substantially in the form provided in the
2 authorizing resolution and shall be executed in the manner pre-
3 scribed in the resolution. ~~, which, as to coupons, may be by~~
4 ~~facsimile signature.~~ The bonds and coupons shall be made payable
5 in lawful money of the United States of America and shall be
6 exempt from any and all taxation ~~whatsoever~~ by this state or by
7 any taxing authority within the state. AS USED IN THIS SUBSEC-
8 TION, "ANNUAL INSTALLMENT" MEANS A MATURITY OF SERIAL BONDS, AN
9 AMOUNT OF TERM BONDS REQUIRED TO BE REDEEMED IN THAT YEAR, OR A
10 MATURITY OF TERM BONDS LESS AMOUNTS PREVIOUSLY REQUIRED TO BE
11 REDEEMED.

12 (2) The principal of and interest upon the bonds shall be
13 payable from the net revenues derived from the operation of the
14 hospitals of the authority as shall be pledged ~~thereto~~ in the
15 authorizing resolution, which revenue shall include net revenues
16 derived by reason of hospitals subsequently acquired or improve-
17 ments, enlargements, extensions, or repairs ~~thereto, to be~~
18 ~~thereafter acquired~~ TO THOSE HOSPITALS. The principal and
19 interest may be payable from amounts ~~which~~ THAT are assessed
20 against a member city, township, or village as provided in this
21 act. The bonds may be made registrable as to principal or as to
22 principal and interest under ~~such~~ THOSE terms and conditions as
23 may be determined by the hospital authority board in the resolu-
24 tion authorizing the bonds.

25 Sec. 8f. Except as provided ~~herein~~ IN THIS ACT, bonds
26 ~~may~~ SHALL not be sold except at public sale, after notice by
27 publication at least 14 days before the sale in a publication

1 printed in the English language and circulated in this state
2 ~~which~~ THAT carries as part of its regular service notices of
3 sale of municipal bonds and ~~which~~ was approved by the depart-
4 ment of treasury as a publication complying with ~~the foregoing~~
5 ~~qualifications~~ THIS SECTION. IF THE BONDS ARE TO BE ISSUED IN
6 WHOLE OR IN PART FOR REFUNDING PURPOSES PURSUANT TO SECTION 8,
7 THE BONDS MAY BE SOLD AT EITHER A PUBLIC OR NEGOTIATED SALE. If
8 the hospital authority received a bid or bids at the time fixed
9 for public sale ~~which was~~ THAT WERE rejected by the hospital
10 authority board, then the bonds may be sold at private sale
11 within 60 days ~~thereafter~~ AFTER REJECTION BY THE HOSPITAL
12 AUTHORITY BOARD at a price not less than the highest bid received
13 at the public offering. If the hospital authority offered the
14 bonds at a public offering and did not receive a bid, then the
15 bonds may be sold at private sale within 60 days after that last
16 public offering. During a period in which bonds may be sold at
17 private sale the hospital authority board may enter into an
18 agreement for delivery of the bonds in payment for the cost of
19 the particular project for which the bonds are to be issued.
20 Notwithstanding ~~any of the foregoing provisions~~ THIS SECTION,
21 bonds may be sold without a second public offering to the federal
22 government or any agency ~~thereof~~ OF THE FEDERAL GOVERNMENT at
23 private sale within 60 days after the first public offering at a
24 price not less than the highest bid, if any, received at the
25 first public offering.