

HOUSE BILL No. 4568

March 18, 1991, Introduced by Reps. Law, Kosteva, Hertel, Perry Bullard, Palamara, Nye, Dolan, Willis Bullard, Sparks, Stopczynski, Hoffman, Bankes, Harder, Dobb, Bandstra, Griffin, Niederstadt, Clack, Olshove, Gire, Webb, Yokich and Dobronski and referred to the Committee on Appropriations.

A bill to amend the title and sections 3 and 4 of Act No. 94 of the Public Acts of 1933, entitled as amended "The revenue bond act of 1933," section 3 as amended by Act No. 501 of the Public Acts of 1988, being sections 141.103 and 141.104 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. The title and sections 3 and 4 of Act No. 94 of
2 the Public Acts of 1933, section 3 as amended by Act No. 501 of
3 the Public Acts of 1988, being sections 141.103 and 141.104 of
4 the Michigan Compiled Laws, are amended to read as follows:

5 TITLE

6 An act to authorize public corporations to purchase,
7 acquire, construct, improve, enlarge, extend, or repair CERTAIN
8 public improvements within or without their corporate limits, and

1 to own, operate, and maintain the ~~same~~ PUBLIC IMPROVEMENTS; TO
2 PROHIBIT PUBLIC CORPORATIONS FROM UNDERTAKING SUCH ACTIVITIES
3 WITH RESPECT TO CERTAIN OTHER PUBLIC IMPROVEMENTS; to authorize
4 the condemnation of property for ~~such~~ CERTAIN public improve-
5 ments; to provide for the imposition and collection of charges,
6 fees, rentals, or rates for the services, facilities, and commod-
7 ities furnished by ~~such~~ CERTAIN public improvements; to provide
8 for the issuance of bonds and refunding bonds payable from the
9 revenues of CERTAIN public improvements; to provide for a pledge
10 by public corporations of their full faith and credit and the
11 levy of taxes without limitation as to rate or amount to the
12 extent necessary for the payment of the bonds, or for advancing
13 money from general funds for payment of bonds; to provide for
14 payment, retirement, and security of ~~such~~ THE bonds; to provide
15 for the imposition of special assessment bonds for the purpose of
16 refunding outstanding revenue bonds; to prescribe the powers and
17 duties of the department of treasury and of the municipal finance
18 commission or its successor agency relative to ~~such~~ THE bonds
19 and relative to private activity bonds issued by a state or local
20 governmental entity; and to provide for other matters in respect
21 to ~~such~~ CERTAIN public improvements and bonds and to validate
22 action taken and bonds issued.

23 Sec. 3. As used in this act:

24 (a) "Public corporation" means a county, city, village,
25 township, school district, port district, or metropolitan dis-
26 trict of the state or a combination thereof if authorized by law
27 to act jointly; an authority created by or under an act of the

1 legislature; or a municipal health facilities corporation or
2 subsidiary municipal health facilities corporation incorporated
3 as provided in the municipal health facilities ~~corporation~~
4 CORPORATIONS act, Act No. 230 of the Public Acts of 1987, being
5 sections 331.1101 to 331.1507 of the Michigan Compiled Laws.

6 (B) "COUNTY" MEANS A COUNTY HAVING AN OPTIONAL UNIFIED FORM
7 OF COUNTY GOVERNMENT, A CHARTER COUNTY, OR A GENERAL LAW COUNTY.

8 (C) "TOWNSHIP" MEANS A CHARTER TOWNSHIP OR A GENERAL LAW
9 TOWNSHIP.

10 (D) ~~(b)~~ "Public improvements" means only the following
11 improvements: housing facilities; garbage disposal plants; rub-
12 bish disposal plants; incinerators; transportation systems,
13 including plants, works, instrumentalities, and properties used
14 or useful in connection with those systems; sewage disposal sys-
15 tems, including sanitary sewers, combined sanitary and storm
16 sewers, plants, works, instrumentalities, and properties used or
17 useful in connection with the collection, treatment, or disposal
18 of sewage or industrial wastes; water supply systems, including
19 plants, works, instrumentalities, and properties used or useful
20 in connection with obtaining a water supply, the treatment of
21 water, or the distribution of water; utility systems for supply-
22 ing light, heat, or power, including plants, works, instrumental-
23 ities, and properties used or useful in connection with those
24 systems; approved cable television systems, approved cable commu-
25 nication systems, or telephone systems, including plants, works,
26 instrumentalities, and properties used or useful in connection
27 with those systems; automobile parking facilities, including

1 within or as part of the facilities areas or buildings that may
 2 be rented or leased to private enterprises serving the public;
 3 yacht basins; harbors; docks; wharves; terminal facilities; ele-
 4 vated highways; bridges over, tunnels under, and ferries across
 5 lakes or a part of a lake, rivers, streams, straits, or channels;
 6 community buildings; public wholesale markets for farm and food
 7 products; stadiums; convention halls; auditoriums; dormitories;
 8 hospitals and other health care facilities; buildings devoted to
 9 public use; museums; parks; recreational facilities; reforesta-
 10 tion projects; aeronautical facilities; and marine railways; or
 11 any right or interest ~~therein~~ IN or equipment ~~therefor~~ FOR
 12 THESE IMPROVEMENTS. The term "public improvement" means the
 13 whole or a part of any of ~~the above named~~ THESE improvements or
 14 of any combination of ~~the above named~~ THESE improvements or any
 15 interest or participation in ~~the above named~~ THESE improve-
 16 ments, as determined by the governing body. The definition con-
 17 tained in this subdivision ~~shall not be construed as broadening~~
 18 ~~or enlarging~~ DOES NOT BROADEN OR ENLARGE the extent of a partic-
 19 ular public improvement made by a public corporation.

20 (E) ~~(c)~~ "Borrower" means a public corporation exercising
 21 the power to issue bonds as provided in this act.

22 (F) ~~(d)~~ "Governing body" means for a county, the board of
 23 commissioners; for a city, the council, common council, commis-
 24 sion, or other body having legislative powers; for a village, the
 25 council, common council, commission, board of trustees, or other
 26 body having legislative powers; for a township, the township
 27 board; for a school district, the board of education; for a port

1 district, the port commission; for a metropolitan district, the
2 legislative body of the district; for a municipal health facili-
3 ties corporation, the board of trustees; for a nonprofit subsid-
4 iary municipal health facilities corporation, the nonprofit sub-
5 sidiary board; and for an authority, the body in which is lodged
6 general governing powers. If the charter of a public corporation
7 or applicable law provides that a separate board has general man-
8 agement over a public improvement, "governing body" means, with
9 respect to that public improvement, the separate board, subject
10 to review by the legislative body of the public corporation as
11 the charter or law may provide. Unless the charter or law spe-
12 cifically provides otherwise, the separate board shall adopt the
13 bond authorizing ordinance, but shall not pledge full faith and
14 credit.

15 (G) ~~(e)~~ "Rates" means the charges, fees, rentals, and
16 rates that may be fixed and imposed for the services, facilities,
17 and commodities furnished by a public improvement.

18 (H) ~~(f)~~ "Revenues" means the income derived from the rates
19 charged for the services, facilities, and commodities furnished
20 by a public improvement. Revenues ~~shall include~~ INCLUDES, to
21 the extent provided in the authorizing ordinance, earnings on
22 investment of funds of the public improvement and other revenues
23 derived from or pledged to operation of the public improvement.

24 (I) ~~(g)~~ "Net revenues" means the revenues of a public
25 improvement remaining after deducting the reasonable expenses of
26 administration, operation, and maintenance of the public
27 improvement.

1 (J) ~~(h)~~ "Project cost" or "costs" means the costs of
 2 purchasing, acquiring, constructing, improving, enlarging,
 3 extending, or repairing a public improvement, including any engi-
 4 neering, architectural, legal, accounting, financial, and other
 5 expenses incident to the public improvement. Project costs
 6 include interest on ~~the~~ bonds, and other obligations of the
 7 borrower issued to pay project costs, during the period of con-
 8 struction and until full revenues are developed. Project costs
 9 include a reserve or addition to a reserve for payment of princi-
 10 pal and interest on the bonds and the amount required for opera-
 11 tion and maintenance until sufficient revenues have developed.

12 (K) ~~(i)~~ "Ordinance" means an ordinance, resolution, or
 13 other appropriate legislative enactment of the governing body of
 14 a public corporation.

15 (L) ~~(j)~~ "Municipal finance commission" means the commis-
 16 sion created by the municipal finance act, Act No. 202 of the
 17 Public Acts of 1943, as amended, being sections 131.1 to 139.3 of
 18 the Michigan Compiled Laws.

19 (M) ~~(k)~~ "Approved cable television system" or "approved
 20 cable communication system" means a cable television or communi-
 21 cation system ~~that conforms~~ to WHICH 1 of the following
 22 APPLIES:

23 (i) A municipality acquires or establishes the system either
 24 before January 1, 1987 or before a system is established in that
 25 municipality by a private person.

26 (ii) A municipality acquires or establishes the system after
 27 a system is established in that municipality by a private person

1 and after approval by a majority of the electors in the affected
2 area of that municipality voting on the question of the sale of
3 revenue bonds to finance the acquisition or establishment of the
4 municipal system.

5 Sec. 4. (1) ~~Any~~ A public corporation ~~is authorized to~~
6 MAY purchase, acquire, construct, improve, enlarge, extend, or
7 repair ~~— or more —~~ A public ~~improvements and to~~ IMPROVEMENT;
8 own, operate, and maintain the ~~same~~ PUBLIC IMPROVEMENT, within
9 or without its corporate limits; ~~—~~ and ~~to~~ furnish the serv-
10 ices, facilities, and commodities of ~~any such~~ THE public
11 improvement to users within or without its corporate limits.

12 (2) The exercise by ~~any~~ A public corporation of ~~such~~
13 THESE powers outside its corporate limits ~~shall be~~ IS subject
14 to the legal rights of the political subdivision within which
15 ~~such~~ THESE powers are to be exercised and ~~shall~~ IS also ~~be~~
16 subject to ~~any and all~~ RELEVANT constitutional and statutory
17 provisions. ~~relating thereto.~~ The ~~authority herein~~ POWERS
18 granted ~~shall be further limited as follows~~ BY THIS ACT ARE
19 ALSO SUBJECT TO ALL OF THE FOLLOWING LIMITATIONS:

20 (a) ~~No~~ A public corporation shall NOT establish warehouses
21 for the purpose of storing or dispensing alcoholic beverages.

22 (b) School districts ~~shall be~~ ARE limited to ~~such~~ public
23 improvements ~~as~~ THAT are within the scope of their powers under
24 other statutory provisions.

25 (c) Port districts ~~shall be~~ ARE limited to ~~such~~ public
26 improvements ~~as~~ THAT are within the scope of their powers under
27 acts creating the ~~same~~ PORT DISTRICTS.

1 (D) ~~(c) No~~ A public corporation ~~may~~ SHALL NOT acquire a
2 utility for the supplying of light, heat, or power unless ~~such~~
3 THE proposition ~~shall have~~ first ~~received~~ RECEIVES the affir-
4 mative vote of 3/5 of the electors of ~~such~~ THE public corpora-
5 tion voting ~~thereon~~ ON THE QUESTION at a regular or special
6 municipal election.

7 (E) A PUBLIC CORPORATION SHALL NOT PURCHASE, ACQUIRE, OR
8 CONSTRUCT A PROFESSIONAL SPORTS STADIUM WITH A SEATING CAPACITY
9 OF MORE THAN 25,000 PEOPLE.

10 (F) A PUBLIC CORPORATION SHALL NOT IMPROVE, ENLARGE, EXTEND,
11 OR REPAIR, ALONE OR IN ANY COMBINATION, A PROFESSIONAL SPORTS
12 STADIUM EXISTING ON THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT
13 ADDED THIS SUBDIVISION IF THE PROJECT COST EXCEEDS THE GREATER OF
14 \$75,000,000.00 OR 1/6 OF THE UNIFIED VOLUME LIMITATION DETERMINED
15 UNDER THE UNIFIED VOLUME LIMITATION ALLOCATION ACT, ACT NO. 496
16 OF THE PUBLIC ACTS OF 1988, BEING SECTIONS 12.111 TO 12.124 OF
17 THE MICHIGAN COMPILED LAWS.

18 (3) The powers in this act granted may be exercised notwith-
19 standing that ~~no~~ bonds are NOT issued ~~hereunder~~ UNDER THIS
20 ACT.