



# HOUSE BILL No. 5464

April 19 1994 Introduced by Reps Profit Pitoniak Yokich Rivers Barns Bender  
Martin Randall and Shugars and referred to the Committee on Economic Development

A bill to create certain authorities to authorize creation  
of certain funds to authorize expenditures from the funds to  
finance the purchase of land and the development of facilities  
and of public improvements or related facilities to provide for  
appropriations and to prescribe the powers and duties of certain  
state and local officials

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT

1 Sec 1 This act shall be known and may be cited as 'the  
2 international tradeport development authority act

3 Sec 2 The legislature of this state finds and declares  
4 that there exists in this state continuing need for programs to  
5 assist certain authorities in encouraging international tradeport  
6 development and consequent job retention and creation and  
7 ancillary economic growth within this state In order to achieve  
8 these purposes, it is necessary to assist and encourage certain

1 authorities to renovate and develop international tradeport  
2 facilities

3 Sec 3 As used in this act

4 (a) 'Airport facility' means an airport owned and operated  
5 by a public agency or an authority as authorized under the aero-  
6 nautics code of the state of Michigan Act No 327 of the Public  
7 Acts of 1945, being sections 259 1 to 259 208 of the Michigan  
8 Compiled Laws, that meets all of the following

9 (i) Has a runway or approval of a runway of 10,000 lineal  
10 feet or greater approved by the Michigan aeronautics commission  
11 and the federal aviation administration

12 (ii) Has a full-time, on-site, United States customs  
13 service

14 (iii) Acts as a reliever airport to surrounding airports

15 (b) Authority means an international tradeport development  
16 authority created under section 4

17 (c) Board means the board of directors of an authority

18 (d) 'Captured assessed value' means the amount in any 1 year  
19 by which the current assessed value as equalized of the prop-  
20 erty located within a zone, including the current assessed value  
21 of property for which specific local taxes are paid in lieu of  
22 property taxes as determined pursuant to subdivision (p) exceeds  
23 the initial assessed value The state tax commission shall pre-  
24 scribe the method for calculating captured assessed value

25 (e) 'Develop', unless the context clearly indicates a dif-  
26 ferent meaning, means to acquire, market promote, construct,

1 improve, enlarge renew renovate replace, lease equip,  
2 furnish or operate

3 (f) Development plan means a plan that meets the criteria  
4 established in the economic development corporation act, Act  
5 No 338 of the Public Acts of 1974, being sections 125 1601 to  
6 125 1636 of the Michigan Compiled Laws

7 (g) Economic development corporation means an economic  
8 development corporation created under the economic development  
9 corporations act Act No 338 of the Public Acts of 1974

10 (h) Finance plan means a plan that meets the criteria  
11 established in the economic development corporations act, Act  
12 No 338 of the Public Acts of 1974, expanded to include require-  
13 ments under section 10(3)(c)

14 (i) Fund means the international tradeport development  
15 fund created in section 13

16 (j) "Initial assessed value" means the assessed value, as  
17 equalized of property located within a zone at the time the  
18 authority is established as shown by the most recent assessment  
19 roll for which equalization has been completed at the time the  
20 authority is established Property exempt from taxation at the  
21 time of the determination of the initial assessed value shall be  
22 included as zero Property for which a specific local tax is  
23 paid in lieu of property tax shall not be considered exempt from  
24 taxation The initial assessed value of property for which a  
25 specific local tax was paid in lieu of property tax shall be  
26 determined as provided in subdivision (q)

1 (k) Intergovernmental agreement means agreements  
2 structured by the authority using powers as outlined in  
3 section 12

4 (l) International tradeport development zone' means a geo-  
5 graphic area established in section 10

6 (m) Local unit of government" means a city, village, or  
7 township

8 (n) 'Qualified employee' means an employee, as that term is  
9 defined in section 5 of the single business tax act, Act No 228  
10 of the Public Acts of 1975 being section 208 5 of the Michigan  
11 Compiled Laws, employed by a qualified employer

12 (o) Qualified employer" means an employer as that term is  
13 defined in section 5 of Act No 228 of the Public Acts of 1975,  
14 that employs 1 or more persons and is located within the bounda-  
15 ries of the authority

16 (p) Qualified local unit of government" means a county in  
17 which all or a portion of an international tradeport development  
18 zone is located

19 (q) Specific local taxes means a tax levied under Act  
20 No 198 of the Public Acts of 1974 being sections 207 551 to  
21 207 572 of the Michigan Compiled Laws, the commercial redevelop-  
22 ment act, Act No 255 of the Public Acts of 1978 being sections  
23 207 651 to 207 668 of the Michigan Compiled Laws, the enterprise  
24 zone act, Act No 224 of the Public Acts of 1985, being sections  
25 125 2101 to 125 2122 of the Michigan Compiled Laws, Act No 189  
26 of the Public Acts of 1953, being sections 211 181 to 211 182 of  
27 the Michigan Compiled Laws and the technology park development

1 act Act No 385 of the Public Acts of 1984 being sections  
2 207 701 to 207 718 of the Michigan Compiled Laws The initial  
3 assessed value or current assessed value of property subject to a  
4 specific local tax is the quotient of the specific local tax paid  
5 divided by the ad valorem millage rate

6 (r) Tax increment finance authority district means the  
7 authority or the area of land under control of the authority  
8 under 1 or more of the following

9 (i) Act No 197 of the Public Acts of 1975, being  
10 sections 125 1651 to 125 1681 of the Michigan Compiled Laws

11 (ii) The local development financing act Act No 281 of the  
12 Public Acts of 1986 being sections 125 2151 to 125 2174 of the  
13 Michigan Compiled Laws

14 (iii) The tax increment finance authority act Act No 450  
15 of the Public Acts of 1980 being sections 125 1801 to 125 1830  
16 of the Michigan Compiled Laws

17 (s) 'Zone means an international tradeport development  
18 zone

19 Sec 4 Two qualified local units of government that are  
20 adjacent to each other may by resolution of their respective gov-  
21 erning bodies jointly establish an authority under this act  
22 Once the resolutions establishing the authority are filed with  
23 the secretary of state, the authority is created as a body corpo-  
24 rate and politic

25 Sec 5 (1) The powers duties, and functions of an author-  
26 ity are vested in and shall be exercised by a board of directors  
27 consisting of the director of the department of commerce for

1 each qualified local unit of government affected, the elected  
2 county executive in a county organized under Act No 293 of the  
3 Public Acts of 1966, being sections 45 501 to 45 521 of the  
4 Michigan Compiled Laws, or the chairperson of the county board of  
5 commissioners in any other county affected and 4 residents of  
6 the county or counties affected, 2 of whom shall be appointed by  
7 the governor, and 1 each by the elected county executive or  
8 chairperson of the county board of commissioners of each county  
9 affected

10 (2) Of the 4 resident-appointed members, the governor s  
11 appointments shall serve fixed terms of 3 years and the county  
12 appointees shall serve for 1 year each

13 (3) Upon appointment to the board under subsection (1), and  
14 upon taking and filing of the constitutional oath of office, a  
15 member of the board shall enter office and exercise the duties of  
16 the office to which he or she is appointed

17 (4) A vacancy on the board of a member serving for a fixed  
18 term shall be filled in the same manner as the original appoint-  
19 ment for the balance of the unexpired term A member of the  
20 board holds office until a successor is appointed and qualified

21 (5) In addition to the members of the board described in  
22 subsection (1) there shall be 1 additional member appointed by  
23 each local governmental unit in which all or a portion of the  
24 zone is located The legislative body of each local governmental  
25 unit shall appoint the member under this subsection and that  
26 member shall serve without a fixed term and at the pleasure of  
27 the legislative body appointing that member A member appointed

1 under this subsection shall serve only with respect to and shall  
2 be authorized to vote solely on the approval or rejection of the  
3 development plan or the finance plan, or amendment to the devel-  
4 opment plan or the finance plan A member appointed under this  
5 subsection shall not vote on any other matter before the board

6       Sec 6   (1) Members of the board and officers and employees  
7 of the authority are subject to Act No 317 of the Public Acts of  
8 1968 being sections 15 321 to 15 330 of the Michigan Compiled  
9 Laws and Act No 318 of the Public Acts of 1968, being sections  
10 15 301 to 15 310 of the Michigan Compiled Laws A member of the  
11 board or an officer, employee, or agent of the authority shall  
12 discharge the duties of his or her position in a nonpartisan  
13 manner, in good faith, and with the degree of diligence, care,  
14 and skill that an ordinarily prudent person would exercise under  
15 similar circumstances in a like position In discharging his or  
16 her duties, a member of the board or an officer employee, or  
17 agent of the authority when acting in good faith, may rely upon  
18 any of the following

19       (a) The opinion of counsel for the authority

20       (b) The report of an independent appraiser selected with  
21 reasonable care by the board

22       (c) Financial statements of the authority represented to the  
23 member of the board, officer employee, or agent to be correct by  
24 the officer of the authority having charge of its books of  
25 account or stated in a written report by the state auditor gen-  
26 eral or a certified public accountant, or a firm of certified

1 accountants fairly to reflect the financial condition of the  
2 authority

3       (2) The board shall organize and make its own policies and  
4 procedures and shall adopt bylaws governing its operations   Four  
5 members of the board constitute a quorum for transaction of busi-  
6 ness notwithstanding the existence of 1 or more vacancies on the  
7 board   Except as otherwise provided in this act actions taken  
8 by the board shall be by a majority vote of the members present  
9 in person at a meeting of the board or if authorized by the  
10 bylaws by the use of amplified telephonic or video conferencing  
11 equipment   A state or county officer who is a member of the  
12 board may designate a representative from that branch of govern-  
13 ment to serve instead of that state or county officer as a voting  
14 member of the board for 1 or more meetings   The authority shall  
15 meet at the call of the chairperson and as may be provided in the  
16 bylaws   The chairperson of the board shall be the director of  
17 the department of commerce until such time as bylaws are adopted  
18 and chairperson responsibilities are delegated in the bylaws  
19 Meetings of the board may be held anywhere within this state

20       (3) The board may delegate to 1 or more members, officers,  
21 agents or employees any of the powers, duties, or functions of  
22 the authority as the board considers proper

23       (4) Members of the board shall serve without compensation  
24 for their membership on the board, but members of the board may  
25 receive reasonable reimbursement for necessary travel and  
26 expenses



1       Sec 7   (1) The board shall conduct all business at public  
2 meetings held in compliance with the open meetings act Act  
3 No 267 of the Public Acts of 1976, being sections 15 261 to  
4 15 275 of the Michigan Compiled Laws Public notice of the time  
5 date and place of each meeting shall be given in the manner  
6 required by the open meetings act Act No 267 of the Public Acts  
7 of 1976

8       (2) A record or a portion of a record, material, or other  
9 data received prepared used, or retained by the authority that  
10 relates to financial or proprietary information that is identi-  
11 fied in writing by the person submitting the information and  
12 acknowledged by the board as confidential is not subject to the  
13 disclosure requirements of the freedom of information act, Act  
14 No 442 of the Public Acts of 1976, being sections 15 231 to  
15 15 246 of the Michigan Compiled Laws The board may meet in  
16 closed session pursuant to the open meetings act Act No 267 of  
17 the Public Acts of 1976 to make a determination of whether it  
18 acknowledges as confidential any financial or proprietary infor-  
19 mation submitted and considered by the person submitting the  
20 information as confidential For the purpose of this subsection,  
21 financial or proprietary information means information that has  
22 not been publicly disseminated or that is unavailable from other  
23 sources the release of which might cause the person submitting  
24 the information competitive harm

25       Sec 8   The authority may do all things necessary or con-  
26 venient to carry out the purposes, objectives, and provisions of  
27 this act or rules promulgated under this act, and the purposes,

1 objectives and powers delegated to the authority or the board by  
2 other laws or executive orders, including, without limitation,  
3 all of the following

4 (a) Adopt an official seal and bylaws for the regulation of  
5 its affairs and alter the seal or bylaws at its pleasure

6 (b) Sue and be sued in its own name and plead and be  
7 impleaded

8 (c) Borrow money and issue negotiable bonds and other obli-  
9 gations pursuant to this act

10 (d) Enter into contracts and other instruments necessary,  
11 incidental or convenient to the performance of its duties and  
12 the exercise of its powers and designate the person or persons  
13 who have authority to execute those contracts and investments on  
14 behalf of the authority

15 (e) Solicit, receive, and accept from any source gifts,  
16 grants loans, or contributions of money, property, or other  
17 things of value, and other aid or payment, or participate in any  
18 other way in a federal state, or local government program

19 (f) Procure insurance against loss in connection with the  
20 property assets or activities of the authority

21 (g) Invest money of the authority, at the board s discre-  
22 tion, in instruments, obligations, securities, or property deter-  
23 mined proper by the board, and name and use depositories for its  
24 money

25 (h) Engage, on a contract basis, the services of private  
26 consultants, managers legal counsel and auditors for rendering

1 professional or technical assistance and advice payable out of  
2 any money of the authority

3 (1) Indemnify and procure insurance indemnifying members of  
4 the board from personal loss or accountability for liability  
5 asserted by a person with regard to bonds or other obligations of  
6 the authority, or from any personal liability or accountability  
7 by reason of the issuance of the bonds or other obligations or by  
8 reason of any other action taken or the failure to act by the  
9 authority

10 (j) To the extent that revenues are received pursuant to  
11 section 14 or this section but are not required or necessary to  
12 pay principal, interest, or other costs associated with the bonds  
13 or other obligations issued by the authority pursuant to sections  
14 15 and 16, the authority may make grants investments or loans  
15 and guarantee and ensure loans, leases, bonds, notes, and other  
16 indebtedness, whether public or private, for economic development  
17 purposes, neighborhood development purposes, or cultural develop-  
18 ment purposes

19 Sec 9 (1) The authority may employ staff, including legal  
20 and technical experts, and other officers or employees, per-  
21 manent or temporary, paid from the funds of the authority

22 (2) The accounts of the authority shall be subject to annual  
23 audits by the state auditor general or a certified public accoun-  
24 tant appointed by the auditor general Records shall be main-  
25 tained according to generally accepted accounting principles

26 Sec 10 (1) Within 60 days after establishment of an  
27 authority that authority shall establish the geographic

1 boundaries of the zone which shall include an airport facility  
2 and surrounding area the total area of which is greater than  
3 5 000 acres in size In addition the board shall determine  
4 which of the following are included in the geographic boundary of  
5 the zone

6 (a) Multimodal facilities or planned multimodal facilities

7 (b) Pertinent access roads and truck facilities

8 (c) Industrial parks or warehousing facilities

9 (d) Manufacturing plants that have been closed or abandoned  
10 causing significant job loss

11 (e) Infrastructure services

12 (f) Relevant land uses directly related to the zone

13 (g) Land capable of providing high value added development  
14 that will enhance the authority's bond activities

15 (2) After the geographic boundaries of the zone are deter-  
16 mined under subsection (1), the board by majority vote may alter  
17 the geographic boundaries of the zone

18 (3) Within 12 months after the establishment of an authori-  
19 ty the authority shall approve a development plan and finance  
20 plan The authority shall approve the development plan and the  
21 finance plan or any amendments to the development plan or finance  
22 plan for the zone by a two-thirds vote of the board Criteria  
23 for approval of a development plan and a finance plan shall  
24 include, but are not limited to, the following

25 (a) The development plan shall encompass the entire geo-  
26 graphic area of the zone and contiguous areas

1 (b) The development plan shall identify site uses and phases  
2 for development

3 (c) The finance plan shall identify potential funds, staff-  
4 ing requirements, and related activities such as marketing and  
5 site preservation

6 (d) The finance plan shall be a coordinated investment plan  
7 and shall include source and use of funds, timing, construction  
8 schedules and contractual and legal documents needed for  
9 implementation

10 (4) The board shall coordinate its development plan and  
11 finance plan and any amendments to the development plan or  
12 finance plan with both of the following

13 (a) The master plan and zoning ordinances of the qualified  
14 local units of government and local units of government in which  
15 all or a portion of the zone is located

16 (b) The development plan or finance plan of a tax increment  
17 finance authority district in which all or a portion of the zone  
18 is located

19 Sec 11 The authority may acquire and develop property  
20 within an international tradeport development zone by purchase,  
21 lease gift devise grant and land contract installment pur-  
22 chase contract, condemnation or other legal means For the pur-  
23 pose of condemnation, the authority may proceed under Act No 149  
24 of the Public Acts of 1911 being sections 213 21 to 213 25 of  
25 the Michigan Compiled Laws, and the uniform condemnation proce-  
26 dures act, Act No 87 of the Public Acts of 1980, being sections  
27 213 51 to 213 77 of the Michigan Compiled Laws or any other

1 appropriate statute The authority may hold clear remediate,  
2 improve maintain manage control, sell, exchange, mortgage and  
3 hold mortgages on and other security interests in, lease, as  
4 lessor or lessee, and obtain or grant easements and licenses on  
5 property that it acquires A sale, exchange, lease, or other  
6 disposition of authority property shall be to a person or persons  
7 for a project or projects involving a tradeport development  
8 facility or facilities, with respect to which project or projects  
9 a project development plan has been submitted to and approved by  
10 the board pursuant to criteria adopted by the board by resolution  
11 in accordance with the purposes of this act Property acquired  
12 by the authority and later determined by the authority to be not  
13 necessary for a project may be sold or otherwise disposed of for  
14 use or uses not inconsistent with the purposes of this act  
15 Temporary or permanent easements or licenses or other appropriate  
16 interests in property acquired by the authority may be conveyed  
17 or granted by the authority for utility vehicular, or pedestrian  
18 traffic facilities, or related purposes not inconsistent with  
19 this act

20 Sec 12 The authority may enter into contracts with 1 or  
21 more of the following

22 (a) Economic development corporations as defined under the  
23 economic development corporations act, Act No 338 of the Public  
24 Acts of 1974, being sections 125 1601 to 125 1636 of the Michigan  
25 Compiled Laws

26 (b) Intergovernmental agreements under the urban cooperation  
27 act of 1967, Act No 7 of the Public Acts of the Extra Session of

1 1967 being sections 124 501 to 124 512 of the Michigan Compiled  
2 Laws

3 (c) An airport authority as defined under the aeronautics  
4 code of the state of Michigan, Act No 327 of the Public Acts of  
5 1945 being sections 259 1 to 259 208 of the Michigan Compiled  
6 Laws

7 Sec 13 An international tradeport development fund is  
8 created within the department of treasury The state treasurer  
9 shall credit money from the following sources to the fund

10 (a) Money paid to the fund pursuant to section 483b of the  
11 income tax act of 1967, Act No 281 of the Public Acts of 1967,  
12 being section 206 483b of the Michigan Compiled Laws

13 (b) Money paid to the fund pursuant to section 137a of the  
14 single business tax act, Act No 228 of the Public Acts of 1975,  
15 being section 208 137a of the Michigan Compiled Laws

16 (c) Money paid to the fund pursuant to section 21(1) and  
17 (3)

18 Sec 14 (1) The payment of principal, interest, and other  
19 costs associated with the bonds or other obligations issued by  
20 the authority may be made by the authority from the following  
21 revenues

22 (a) Federal grants, loans, appropriations, payments, or  
23 contributions

24 (b) The proceeds from the sale, exchange mortgage, lease,  
25 or other disposition of property that the authority has  
26 acquired

1 (c) Grants loans, appropriations payments proceeds from  
2 repayments of loans made by the authority or contributions from  
3 public or private sources

4 (d) Investment earnings on the revenues described in subdi-  
5 visions (a) to (c)

6 (2) To the extent the revenues are not necessary for pay-  
7 ments pursuant to subsection (1), the authority may make payments  
8 for other purposes authorized in this act from the revenues  
9 described in subsection (1)

10 Sec 15 (1) The authority may authorize and issue its  
11 bonds or other obligations payable solely from the revenues or  
12 funds available to the authority under sections 13 and 21 Bonds  
13 or other obligations of the authority are not a debt or liability  
14 of the state or the county or counties that are members of the  
15 authority and do not create or constitute an indebtedness  
16 liability or obligation or constitute a pledge of faith and  
17 credit of this state or the county or counties that are members  
18 of the authority All authority bonds and other obligations are  
19 payable solely from revenues or funds pledged or available for  
20 their payment as authorized in this act Each bond and other  
21 obligation shall contain on its face a statement to the effect  
22 that the authority is obligated to pay the principal of and the  
23 interest on the bond or other obligation only from revenues or  
24 from funds of the authority pledged for such payment and that the  
25 state and the county or counties that are members of the author-  
26 ity are not obligated to pay that principal or interest and that  
27 neither the faith and credit nor the taxing power of the state



1 and the county or counties that are members of the authority is  
2 pledged to the payment of the principal of or the interest on the  
3 bond or other obligation

4       (2) All expenses incurred in implementing this act are pay-  
5 able solely from revenues or money provided or to be provided  
6 under this act   This act does not authorize the authority to  
7 incur indebtedness or liability on behalf of or payable by the  
8 state or the county or counties that are members of the  
9 authority

10       Sec 16   (1) The authority may issue from time to time  
11 bonds or other obligations in principal amounts the authority  
12 considers necessary to provide funds for the following

13       (a) Acquiring and improving property within an international  
14 tradeport development zone

15       (b) The payment, funding, or refunding of the principal of,  
16 interest on or redemption premiums on bonds or other obligations  
17 issued by the authority whether the bonds or other obligations or  
18 interest to be funded or refunded have or have not become due

19       (c) The establishment or increase of reserves to secure or  
20 to pay bonds or other obligations of the authority or interest on  
21 those bonds or other obligations

22       (d) The payment of interest on the bonds or other obliga-  
23 tions for a period determined by the authority

24       (e) The payment of all other costs or expenses of the  
25 authority incident to and necessary or convenient to carry out  
26 its corporate purposes and powers

1 (f) Any other purpose reasonably related to or connected  
2 with the purposes described in this subsection

3 (2) The bonds or other obligations of the authority are not  
4 a general obligation of the authority but are payable solely from  
5 the revenues or funds or both pledged to the payment of the  
6 principal of and interest on the bonds or other obligations as  
7 provided in the resolution authorizing the bonds or other  
8 obligations

9 (3) The bonds or other obligations of the authority shall be  
10 authorized by resolution of the authority and

11 (a) Shall bear the date or dates of issuance

12 (b) May be issued in 1 or more series

13 (c) May be issued as either tax-exempt bonds or other obli-  
14 gations or taxable bonds or other obligations for federal income  
15 tax purposes

16 (d) Shall be serial bonds term bonds, or term and serial  
17 bonds

18 (e) Shall mature at such time or times not exceeding 20  
19 years from the date of issuance

20 (f) May provide for sinking fund payments

21 (g) May provide for redemption at the option of the author-  
22 ity for any reason or reasons

23 (h) May provide for redemption at the option of the holder  
24 of the bonds or other obligations for any reason or reasons

25 (i) Shall bear interest at a fixed or variable rate or rates  
26 of interest per annum or at no interest

1 (j) Shall be in either registered or coupon form or both

2 (k) May contain a registration or a conversion feature or  
3 both

4 (l) May be transferable

5 (m) Shall be in the form, in the denomination or denomina-  
6 tions and with other provisions and terms as the authority  
7 determines necessary or beneficial, all as the resolution  
8 provides

9 (4) If a member of the board or an officer of the authority  
10 whose signature or a facsimile of whose signature appears on the  
11 bond or other obligation or coupon ceases to be a member or offi-  
12 cer before the delivery of that bond or other obligation or  
13 coupon, the signature or facsimile signature continues to be  
14 valid and sufficient for all purposes, as if the member or offi-  
15 cer had remained in office until the delivery

16 (5) Bonds or other obligations of the authority may be sold  
17 at a public or private sale at the time or times, at the price or  
18 prices, and at a discount or premium as the authority  
19 determines An authority bond or other obligation is not subject  
20 to the municipal finance act, Act No 202 of the Public Acts of  
21 1943, being sections 131 1 to 139 3 of the Michigan Compiled  
22 Laws The bond or other obligation shall not require the  
23 approval of the state treasurer under Act No 202 of the Public  
24 Acts of 1943 and shall not be required to be registered The  
25 bond or other obligation shall not be required to be filed under  
26 the uniform securities act, Act No 265 of the Public Acts of

1 1964 being sections 451 501 to 451 818 of the Michigan Compiled  
2 Laws

3       Sec 17    The authority may create and establish a special  
4 fund or funds to secure an issue of bonds or other obligations  
5 referred to as a reserve fund and shall pay into the reserve  
6 fund proceeds of a sale of an issue of bonds or other obligations  
7 to the extent provided in the resolution of the board authorizing  
8 the issuance of the bonds or obligations and other money that may  
9 be available to the authority pursuant to this act All money  
10 held in a reserve fund shall be used solely for the payment of  
11 the principal of or interest on the bonds or other obligations  
12 for which the reserve fund was established, or the payment of a  
13 redemption premium required to be paid when the bonds or other  
14 obligations are redeemed before maturity Money in the reserve  
15 fund shall not be withdrawn except for the purpose of paying  
16 principal of and interest on the bonds or other obligations for  
17 which the reserve fund was established that mature and become due  
18 and for the payment of which other money of the authority is not  
19 available or otherwise provided in this act or after legal  
20 defeasance of the bonds or other obligations for which the  
21 reserve fund was established for any other corporate purpose of  
22 the authority as the board determines by resolution Income or  
23 interest earned by or increment to the reserve fund due to the  
24 investment or reinvestment of the reserve fund may only be with-  
25 drawn and used for purposes for which bonds or other obligations  
26 may be issued and to pay interest and to pay at maturity,  
27 purchase or call for redemption bonds or other obligations of

1 the authority for which the reserve fund was established, as the  
2 board determines in the resolution authorizing the bonds or other  
3 obligations

4       Sec 18   Within limitations that are contained in the issu-  
5 ance or authorization resolution of the authority, the authority  
6 may authorize a member of the board or the chairperson, presi-  
7 dent or other officer of the authority to do 1 or more of the  
8 following

9       (a) Sell and deliver, and receive payment for, bonds or  
10 other obligations

11       (b) Refund bonds or other obligations by the delivery of new  
12 bonds or other obligations whether or not the bonds or other  
13 obligations to be refunded have matured or are subject to  
14 redemption

15       (c) Deliver bonds or other obligations partly to refund  
16 bonds or other obligations and partly for any other authorized  
17 purpose

18       (d) Buy bonds or other obligations so issued and resell  
19 those bonds or other obligations

20       (e) Approve interest rates or methods for fixing interest  
21 rates, prices, discounts, premiums, maturities, principal  
22 amounts, denominations, dates of issuance, interest payment  
23 dates, redemption rights at the option of the authority or the  
24 holder the place of delivery and payment, and other matters and  
25 procedures necessary to complete the transactions authorized

26       (f) Direct the investment of any and all money of the  
27 authority that the authority has the power to invest

1 (g) Approve terms of an insurance contract, an agreement for  
2 a line of credit or a letter of credit, a commitment to purchase  
3 bonds or other obligations, an agreement to remarket bonds or  
4 other obligations, or an agreement to manage payment, revenue, or  
5 interest rate exposure, or any other transaction to provide  
6 security to assure timely payment of a bond or other obligation

7 (h) Execute any power, duty, function, or responsibility of  
8 the authority

9 Sec 19 (1) The authority may authorize, approve, enter  
10 into, and obtain an insurance contract, an agreement for a line  
11 of credit or a letter of credit, a commitment to purchase bonds  
12 or other obligations, an agreement to remarket bonds or other  
13 obligations, an agreement to manage payment, revenue, or interest  
14 rate exposure, and any other transaction to provide security to  
15 assure timely payment of a bond or other obligation

16 (2) The authority may authorize payment from the proceeds of  
17 the bonds or other obligations, or other available money, of the  
18 costs of issuance of the bonds or other obligations, including  
19 without limitation fees for placement, charges for insurance,  
20 letters of credit, lines of credit, remarketing agreements,  
21 agreements to manage payment, revenue, or interest rate exposure,  
22 reimbursement agreements, purchase or sales agreements or commit-  
23 ments, or agreements to provide security to assure timely payment  
24 of bonds or other obligations

25 Sec 20 In addition to its other powers, duties, and func-  
26 tions, the authority may make and perform all of the following,  
27 and a resolution of the board authorizing bonds or other

1 obligations may provide for all or any portion of the following  
2 that if provided in the resolution, shall be part of the con-  
3 tract with the holders of the bonds or other obligations

4 (a) A pledge to any payment or purpose of all or any part of  
5 the fund or authority revenues or assets to which its right then  
6 exists or may later come to exist, and of money derived from the  
7 revenues or assets and of the proceeds of bonds or other obliga-  
8 tions, subject to existing agreements with holders of bonds or  
9 other obligations

10 (b) A pledge of a loan, grant, or contribution from the fed-  
11 eral or state government

12 (c) The establishment and setting aside of reserves or sink-  
13 ing funds and the regulation and disposition of reserves or sink-  
14 ing funds subject to this act

15 (d) Authority for and limitations on the issuance of addi-  
16 tional bonds or other obligations for the purposes provided in  
17 the resolution and the terms upon which additional bonds or other  
18 obligations may be issued and secured

19 (e) The procedure if any by which the terms of a contract  
20 with holders of the bonds or other obligations may be amended or  
21 abrogated, the amount of bonds or other obligations the holders  
22 of which are required to consent to the amendment or abrogation,  
23 and the manner in which the consent may be given

24 (f) A contract with the holders of the bonds or other obli-  
25 gations as to the custody, collection, securing, investment, and  
26 payment of money of the authority Money of the authority and  
27 deposits of money may be secured in the manner determined by the

1 authority Banks and trust companies may give security for the  
2 deposits

3 (g) Vest in a trustee or a secured party in or outside the  
4 state the property income revenues receipts rights reme-  
5 dies powers and duties in trust or otherwise that the authority  
6 determines necessary or appropriate to adequately secure and pro-  
7 tect the holders of bonds or other obligations or to limit or  
8 abrogate the right of the holders of bonds or other obligations  
9 to appoint a trustee under this act or to limit the rights,  
10 powers and duties of the trustee

11 (h) Provide to a trustee or the holders of the bonds or  
12 other obligations remedies that may be exercised if the authority  
13 fails or refuses to comply with this act or defaults in an agree-  
14 ment made with the holders of an issue of the bonds or other  
15 obligations, which may include any of the following

16 (i) By mandamus or other suit action, or proceeding to  
17 enforce the rights of the holders of bonds or other obligations  
18 and require the authority to implement any other agreements with  
19 the holders of the bonds or other obligations and to perform the  
20 authority s duties under this act

21 (ii) Bring suit upon the bonds or other obligations

22 (iii) By action or suit, require the authority to account as  
23 if it were the trustee of an express trust for the holders of the  
24 bonds or other obligations

25 (iv) By action, suit, or proceeding, enjoin any act or thing  
26 that may be unlawful or in violation of the rights of the holders  
27 of the bonds or other obligations



1 (v) Declare the bonds or other obligations due and payable,  
2 and if all defaults are made good, then, as permitted by the res-  
3 olution, to annul that declaration and its consequences

4 (1) A limit on the rights of the holders of the bonds or  
5 other obligations to enforce a pledge or covenant securing the  
6 bonds or other obligations

7 (j) Other matters of like or different character that in any  
8 way affect the security or protection of the bonds or other  
9 obligations

10 Sec 21 (1) Each qualified local unit of government shall  
11 deposit an amount equal to the product of 50% of the captured  
12 assessed value of property located within a zone multiplied by  
13 the millage rate levied by the qualified local unit of government  
14 into the fund

15 (2) An amount equal to the product of 50% of the captured  
16 assessed value of property located within a zone multiplied by  
17 the millage rate levied by the qualified local unit of government  
18 shall be distributed as follows

19 (a) For calendar year 1995, that amount shall be distributed  
20 equally between each qualified local unit of government that is a  
21 member of the authority

22 (b) For calendar year 1996, and every calendar year after  
23 1996 that amount shall be distributed between the qualified  
24 local units of government as determined by them If the quali-  
25 fied local units of government cannot make a determination on how  
26 to distribute the amount described in this subsection, the money

1 shall be distributed between the qualified local units of  
2 government as provided in subsection (1)

3       (3) Notwithstanding subsections (1) and (2), each qualified  
4 local unit of government shall provide from any source of county  
5 funds provided by law an amount equal to or greater than  
6 \$250 000 00 per year to the authority

7       (4) The capture and disbursement of property taxes and money  
8 pursuant to subsections (1), (2) and (3) shall be terminated on  
9 the date all bonds issued under this act mature

10       Sec 22 On or before the fifteenth day of each month, the  
11 state treasurer shall make a distribution from the fund to an  
12 authority in an amount equal to the money credited to the fund in  
13 the immediately preceding calendar month

14       Sec 23 Neither the members of the board nor a person exe-  
15 cuting bonds or other obligations issued under this act or a  
16 person executing an agreement on behalf of the authority is  
17 liable personally on the bonds or other obligations by reason of  
18 their issuance

19       Sec 24 The state and qualified local units of government  
20 that are members of the authority pledge to and agree with the  
21 holders of bonds or other obligations issued under this act that  
22 the state and the county or counties that are members of the  
23 authority shall not limit or restrict the rights vested in the  
24 authority by this act to fulfill the terms of an agreement made  
25 with the holders of bonds or other obligations, or in any way  
26 impair the rights or remedies of the holders of the bonds or  
27 other obligations until the bonds and other obligations, together

1 with interest on the bonds or other obligations and interest on  
2 unpaid installments of interest and all costs and expenses in  
3 connection with an action or proceedings by or on behalf of those  
4 holders are fully met, paid, and discharged

5       Sec 25   Notwithstanding a restriction contained in another  
6 law, this state or a public officer, local unit of government, or  
7 agency of the state or of a local unit of government a bank,  
8 trust company, savings bank and institution, savings and loan  
9 association, investment company, or other person carrying on a  
10 banking business an insurance company, insurance association, or  
11 other person carrying on an insurance business or an executor,  
12 administrator, guardian, trustee, or other fiduciary may legally  
13 invest funds belonging to them or within their control in bonds  
14 or other obligation issued under this act, and authority bonds or  
15 other obligations shall be authorized security for public  
16 deposits

17       Sec 26   (1) Property of the authority is public property  
18 devoted to an essential public and governmental function and  
19 purpose   Income of the authority is for a public purpose

20       (2) Except as otherwise provided in this subsection, the  
21 property of the authority and its income and operations are  
22 exempt from all taxes and special assessments of this state or a  
23 political subdivision of this state   Property of the authority  
24 and its income and operations that are leased to private persons  
25 are not exempt from any tax or special assessment of this state  
26 or a political subdivision of this state   Property of the  
27 authority is not exempt from any ad valorem property taxes levied

1 under the general property tax act Act No 206 of the Public  
2 Acts of 1893 being sections 211 1 to 211 157 of the Michigan  
3 Compiled Laws

4 (3) Bonds or other obligations issued by the authority, and  
5 the interest on or income from those bonds or other obligations,  
6 are exempt from all taxation of this state or a political subdi-  
7 vision of this state

8 (4) If the authority acquires any property in the zone that  
9 is also within the boundaries of a tax increment finance author-  
10 ity district that has outstanding bonded indebtedness, the  
11 authority shall pay to that tax increment finance authority dis-  
12 trict each year an amount equal to the amount that would have  
13 been captured or levied on the property by that tax increment  
14 finance authority district to pay its proportional share of the  
15 outstanding bonded indebtedness

16 Sec 27 This act shall be construed liberally to effectu-  
17 ate the legislative intent and the purposes as complete and inde-  
18 pendent authority for the performance of each and every act and  
19 thing authorized by this act and all powers granted by this act  
20 shall be broadly interpreted to effectuate the intent and pur-  
21 poses and not as a limitation of powers and are not subject to an  
22 annual appropriation of the legislature