



SENATE BILL No. 1104

April 20, 1994, Introduced by Senators KELLY, HART,
DI NELLO, ARTHURHULTZ and CARL and referred to the
Committee on Corporations and Economic Development

A bill to promote historic preservation and economic growth within economically distressed local governmental units to provide for the creation of empowerment zones to provide for the creation of certain boards and certain authorities and to prescribe their powers and duties to prescribe the powers and duties of officials and agencies of the state and certain local governmental units to authorize the levy and collection of specific taxes to authorize the acquisition and disposal of property to permit the issuance of bonds and other obligations and related functions and to provide qualifications for certification of and incentives for certain businesses located in certain zones

THE PEOPLE OF THE STATE OF MICHIGAN ENACT

1 Sec 1 This act shall be known and may be cited as the
2 "Michigan state preservation, empowerment, and economic
3 development authority act"

4 Sec 2 (1) The legislature finds that it is in the public
5 interest to promote historic preservation to foster economic
6 growth and to encourage private investment, job creation, and job
7 upgrading for residents in local governmental units that are eco-
8 nomically distressed

9 (2) The legislature further finds that the present and
10 future health, safety, right to gainful employment, business
11 opportunities, and general welfare of the people of this state
12 require, as a public purpose, that empowerment zones be created
13 to encourage, among other things, both historic preservation and
14 businesses to locate and expand in areas characterized by high
15 unemployment, low income, high property tax rates, and blighted,
16 obsolete and underutilized residential commercial and indus-
17 trial property

18 Sec 3 As used in this act

19 (a) "Authority" means the Michigan state preservation,
20 empowerment, and economic development authority created pursuant
21 to section 4

22 (b) "Board" means the board of directors of the authority

23 (c) "Bond" or "bonds" or "obligation" or "obligations" means
24 a bond, note, or other debt obligation issued by the authority
25 under this act

26 (d) "Department" means the department of commerce

1 (e) "Empowerment fund" means the Michigan state
2 preservation, empowerment, and economic development fund created
3 in section 24

4 (f) "Empowerment zone" means an area approved as an empower-
5 ment zone by the authority as provided in this act

6 (g) "General property tax act" means Act No 206 of the
7 Public Acts of 1893, being sections 211 1 to 211 157 of the
8 Michigan Compiled Laws

9 (h) "Historic building facility" means a building whose
10 architectural design is of significance, and whose exterior or
11 interior structure is capable of being rehabilitated and incorpo-
12 rated into a useful facility

13 (i) "Local governmental unit" means a city, township, or
14 village

15 (j) "Person" means an individual, partnership, corporation,
16 association, limited liability company, governmental entity or
17 other legal entity

18 (k) "Project" means the acquisition, purchase, design, con-
19 struction, reconstruction, rehabilitation, remodeling improve-
20 ment, enlargement, repair, or maintenance of a historic building
21 facility

22 (l) "Project development plan" means a plan or agreement for
23 development of an empowerment zone submitted to the board as pro-
24 vided in section 11

25 (m) "Property" means real and personal property, or a mix-
26 ture of real or personal property, whether the property is
27 corporeal or incorporeal, and includes, without limitation,

1 franchises, easements, whether or not recorded, hereditaments,
2 appurtenances, fixtures, licenses, choses in action, options,
3 strips, rights-of-way, leases, and other interests in property
4 whether real, personal, or intangible, including all air, miner-
5 al, and riparian rights, and appurtenances and the spaces and
6 areas over, under, and upon the property and over, under, and
7 upon alleys, streets, and highways

8 (n) "Qualified business" means either a qualified new busi-
9 ness or a qualified existing business

10 (o) "Qualified business activity" means business activity in
11 an empowerment zone of a qualified existing business attributable
12 to the development of a project or the business activity in an
13 empowerment zone of a qualified new business

14 (p) "Qualified existing business" means a business that is
15 located in the area comprising an empowerment zone at the time
16 the area is approved as an empowerment zone, that develops a
17 project and that is certified by the authority as meeting the
18 requirements of this act

19 (q) "Qualified new business" means a business located within
20 an empowerment zone that is not located in the area comprising
21 the empowerment zone on the date on which the authority approves
22 the empowerment zone, and that is certified by the authority as
23 meeting the requirements of this act

24 (r) "Revenues" means money received by the authority under
25 this act

26 Sec 4 (1) The Michigan state preservation, empowerment,
27 and economic development authority is created within the

1 department of commerce The authority shall exercise its powers,
2 duties, and functions independently of the director of commerce
3 as head of department of commerce However, the department of
4 commerce shall provide staff for the authority and shall carry
5 out the administrative duties and functions as directed by the
6 authority The budgeting, procurement, and related functions of
7 the authority shall be under the supervision of the director of
8 commerce

9 (2) The powers, duties, and functions of the authority are
10 vested in and shall be exercised by a board of directors consist-
11 ing of the following 7 members

12 (a) The director of the department of commerce, or the
13 director's designee, as chairperson of the authority

14 (b) The state treasurer or the treasurer's designee

15 (c) Five other members appointed by the governor who have
16 knowledge, skill, and experience in the academic, business, local
17 government, labor, or financial fields Two of these members
18 shall be individuals recommended jointly by the Michigan state
19 board of architecture and the Michigan state board of engineering
20 and have special knowledge of historic preservation

21 (3) A member shall be appointed for a term of 4 years,
22 except that of the members first appointed by the governor, 2
23 shall be appointed for a term of 2 years and 3 for a term of 4
24 years from the dates of their appointments A vacancy shall be
25 filled for the balance of the unexpired term in the same manner
26 as an original appointment

1 (4) The director of the department of commerce and the state
2 treasurer each may appoint a designee to serve as a member of the
3 authority in his or her absence Except as otherwise provided by
4 law, a member of the authority shall not receive compensation for
5 services, but the authority may reimburse each member for
6 expenses necessarily incurred in the performance of his or her
7 duties

8 Sec 5 (1) Regardless of the existence of a vacancy, a
9 majority of the members of the board constitutes a quorum neces-
10 sary for the transaction of business at a meeting or the exercise
11 of a power or function of the board Action may be taken by the
12 board at a meeting upon a vote of the majority of the members
13 present

14 (2) The board shall meet at the call of the chairperson or
15 as may be provided in the bylaws of the authority Meetings of
16 the authority may be held anywhere within this state

17 (3) Members of the board shall serve without compensation
18 for their membership on the board, except that the president
19 shall receive compensation that is reasonable and established by
20 the board in accordance with applicable civil service commission
21 rules and procedures, and members of the board shall receive rea-
22 sonable reimbursement for necessary travel and expenses

23 Sec 6 (1) The board shall conduct all business at public
24 meetings held in compliance with the open meetings act, Act
25 No 267 of the Public Acts of 1976, being sections 15 261 to
26 15 275 of the Michigan Compiled Laws Public notice of the time,

1 date, and place of each meeting shall be given in the manner
2 required by Act No 267 of the Public Acts of 1976

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

20 Sec 7 (1) In addition to other powers and duties provided
21 in this act, the authority shall administer this act and shall
22 have all of the following powers and duties

23 (a) To conduct a continuing evaluation program on empower-
24 ment zones

25 (b) To promulgate rules pursuant to the administrative pro-
26 cedures act of 1969, Act No 306 of the Public Acts of 1969,

1 being sections 24 201 to 24 328 of the Michigan Compiled Laws,
2 necessary to carry out the purposes of this act

3 (c) To assist local governmental units in obtaining the des-
4 ignation of an area as an empowerment zone for federal purposes
5 by designation for that purpose or as otherwise required

6 (d) To assist a qualified business in obtaining the benefits
7 of an incentive or inducement program provided by law, and the
8 benefits of this act

9 (e) To assist an empowerment zone in obtaining assistance
10 from any other agency of state government, including assistance
11 in providing training and technical assistance to qualified busi-
12 nesses within an empowerment zone

13 (f) To modify the boundaries of an empowerment zone

14 (g) To develop and finance projects within an empowerment
15 zone

16 (h) Adopt an official seal and bylaws for the regulation of
17 its affairs and alter the seal or bylaws at its pleasure

18 (i) Sue and be sued in its own name and plead and be
19 impleaded

20 (j) Borrow money, issue negotiable bonds and other obliga-
21 tions pursuant to this act, and make loans

22 (k) Enter into contracts and other instruments necessary,
23 incidental, or convenient to the performance of its duties and
24 the exercise of its powers

25 (l) Solicit, receive, and accept from any source gifts,
26 grants, loans, or contributions of money, property, or other

1 things of value, and other aid or payment, or participate in any
2 other way in a federal, state, or local government program

3 (m) Procure insurance against loss in connection with the
4 property, assets, or activities of the authority

5 (n) Invest money of the authority, at the board's discre-
6 tion, in instruments, obligations securities, or property deter-
7 mined proper by the board, and name and use depositories for its
8 money

9 (o) Engage, on a contract basis, the services of private
10 consultants, managers, legal counsel, and auditors for rendering
11 professional or technical assistance and advice payable out of
12 money of the authority

13 (p) Indemnify and procure insurance indemnifying members of
14 the board from personal loss or accountability for liability
15 asserted by a person with regard to bonds or other obligations of
16 the authority, or from personal liability or accountability by
17 reason of the issuance of the bonds or other obligations or by
18 reason of other action taken or the failure to act by the
19 authority

20 (q) To the extent that revenues are received as provided in
21 section 25 or this section, but are not required or necessary to
22 pay principal, interest, or other costs associated with the bonds
23 or other obligations issued by the authority, make a no-interest
24 loan to a local governmental unit to finance a project within the
25 empowerment zone for historic preservation and economic develop-
26 ment purposes

1 (2) The authority shall provide information and other
2 appropriate assistance to a person desiring to locate and engage
3 in business or to develop a project within an empowerment zone
4 regarding a state license, permit, certificate, approval, regis-
5 tration, charter, or other form of permission required by law to
6 engage in business in this state

7 Sec 8 Beginning October 1, 1996 and every 2 years after
8 that date the authority shall present an analysis of the his-
9 toric preservation and economic impacts of each empowerment
10 zone This analysis shall be presented to the standing commit-
11 tees of the legislature concerned with historic preservation,
12 economic development, local governmental units, and taxation for
13 their consideration of empowerment zone feasibility

14 Sec 9 (1) The authority shall determine the local govern-
15 mental units that qualify to apply to have empowerment zones
16 approved within their boundaries, which qualifying local govern-
17 mental units shall meet all of the following criteria

18 (a) A building or complex of buildings with historic signif-
19 icance capable of being preserved through rehabilitation that
20 would serve as an anchor for collateral development

21 (b) A financing plan that is capable of amortizing renova-
22 tion costs through rents or sales based on prevailing market
23 rents or sales

24 (c) Collateral projects that would be capable of
25 self-financing if the primary development was actualized

1 (d) A financing plan that provides that historic building
2 facilities receive the first priority in funding for projects
3 under this act

4 (2) The authority shall not use revenue under this act to
5 fund or construct a new stadium or stadium facility

6 Sec 10 The chief elected official of a local governmental
7 unit qualified under section 9 shall recommend to the legislative
8 body of the local governmental unit the area within its jurisdic-
9 tion to be proposed as an empowerment zone The boundary of an
10 empowerment zone shall be contiguous and shall include, if feasi-
11 ble, vacant or underutilized land or structures that are suitable
12 for rehabilitation and that are conveniently accessible to resi-
13 dents of the empowerment zone

14 Sec 11 If a local governmental unit qualifies under sec-
15 tion 9 and its legislative body approves the boundaries of a pro-
16 posed empowerment zone, the local governmental unit may file with
17 the authority an application, in a form provided by the authori-
18 ty, to have the area approved as an empowerment zone The appli-
19 cation shall contain all of the following

20 (a) The policy of the local governmental unit for the grant-
21 ing of property tax exemptions pursuant to each of the
22 following

23 (1) Act No 198 of the Public Acts of 1974 being sections
24 207 551 to 207 571 of the Michigan Compiled Laws

25 (11) Act No 438 of the Public Acts of 1976, being sections
26 207 601 to 207 615 of the Michigan Compiled Laws

1 (111) The commercial redevelopment act, Act No 255 of the
2 Public Acts of 1978, being sections 207 651 to 207 668 of the
3 Michigan Compiled Laws

4 (b) The extent of commitment by the local governmental unit
5 for an increase in the level of efficiency of the local services,
6 such as transportation, road improvement or maintenance, police
7 protection, and other similar services

8 (c) A commitment to apply local ordinances relative to
9 zoning, construction, and safety in a manner which preserves and
10 protects the health, safety, and welfare of residents of the
11 local governmental unit, but which provides for flexibility in
12 application and enforcement so as to promote historic preserva-
13 tion and economic development, and to simplify or streamline
14 local governmental requirements on entrepreneurs, employers, and
15 employees

16 (d) The extent to which the local governmental unit's eco-
17 nomic development and land use planning resources are provided to
18 private entities involved with the area proposed as an empower-
19 ment zone

20 (e) A map showing the proposed empowerment zone boundaries
21 and the present land use of the area and information concerning
22 the present physical condition of buildings suitable for rehabil-
23 itation within the area

24 (f) A general description of how approval of the empowerment
25 zone will improve physical conditions in the area will promote
26 historic preservation, will induce private investment in the area

1 by businesses and industries, and will create jobs in the
2 proposed empowerment zone

3 (g) Evidence of support for approval of the empowerment zone
4 by residents and businesses located within the local governmental
5 unit and within the proposed empowerment zone

6 (h) Description of its project development plan and a state-
7 ment of how it will encourage and develop projects within the
8 empowerment zone

9 (i) Description of how projects including historic building
10 facilities will be given priority

11 (j) Other relevant information from the local governmental
12 unit as required by the authority

13 Sec 12 (1) The authority may acquire property within an
14 empowerment zone by condemnation, purchase, lease, gift, devise,
15 grant, land contract, installment purchase contract, or other
16 legal means For the purpose of condemnation, the authority may
17 proceed under Act No 149 of the Public Acts of 1911, being sec-
18 tions 213 21 to 213 25 of the Michigan Compiled Laws, and the
19 uniform condemnation procedures act Act No 87 of the Public
20 Acts of 1980, being sections 213 51 to 213 77 of the Michigan
21 Compiled Laws, or any other appropriate statute

22 (2) The authority may hold, clear, remediate improve, main-
23 tain, manage, control, sell, exchange, mortgage, hold a mortgage
24 on and other security interest in, lease, as lessor or lessee,
25 and obtain or grant an easement or license on property that it
26 has acquired A sale, exchange, lease, or other disposition of
27 property shall be to a person for a project with respect to which

1 project a project development plan has been submitted to and
2 approved by the board and in exchange for which the person shall
3 make payments or otherwise assume or undertake an obligation or
4 furnish consideration as the board considers under the totality
5 of the circumstances to be fair, adequate, and appropriate in
6 furtherance of the project development plan and in view of the
7 purposes of this act

8 (3) Property acquired by the authority and later determined
9 by the authority to be not necessary for a project may be sold or
10 otherwise disposed of for use not inconsistent with this act

11 (4) A temporary or permanent easement or license, or any
12 other appropriate interest in property acquired by the authority,
13 may be conveyed or granted by the authority for a utility, vehic-
14 ular, or pedestrian traffic facility or related purpose not
15 inconsistent with this act

16 (5) The powers granted to the authority by this section may
17 not be exercised by the authority unless the activity and the
18 manner in which that activity may be undertaken are specified in
19 a project development plan relating to the activity proposed to
20 be undertaken, which project development plan has been approved
21 by the authority pursuant to subsection (6)

22 (6) Before the authority acquires property or an interest
23 in land, or incurs obligations for a specific project, other than
24 the acquisition of an option, the board shall approve a project
25 development plan, and any necessary amendments to the project
26 development plan, which shall contain the following

1 (a) The location and extent of existing streets and other
2 public facilities within the empowerment zone a designation of
3 the location, character, and extent of the categories of public
4 and private land uses then existing and proposed for the empower-
5 ment zone, and a legal description of the empowerment zone

6 (b) A description of existing improvements in the empower-
7 ment zone to be demolished, repaired, or altered, a description
8 of repairs and alterations, and an estimate of the time and the
9 budget required for completion

10 (c) The location, extent, character, and estimated cost of
11 the improvements, including rehabilitation, contemplated for the
12 project and an estimate of the time and budget required for
13 completion

14 (d) A statement of the construction or stages of construc-
15 tion planned and the estimated time of completion of each
16 stage

17 (e) A description of the parts of the empowerment zone to be
18 left as open space and the use contemplated for that space

19 (f) A description of portions of the empowerment zone that
20 the authority desires to purchase sell donate receive
21 exchange or lease to or from the local governmental unit and the
22 proposed terms

23 (g) A description of desired changes in streets, street
24 levels, intersections, and utilities

25 (h) Designation of the person or persons to whom the
26 project, or any portion of the project, is to be leased, sold, or
27 conveyed

1 (1) If there is not an express or implied agreement between
2 the authority and persons that the project, or any portion of the
3 project, will be leased, sold, or conveyed to, the procedures for
4 bidding for the leasing, purchasing, or conveying of the project,
5 or any portion of the project, upon its completion

6 (j) Estimates of the number of persons residing in the
7 empowerment zone, and the number of families and individuals to
8 be displaced

9 (k) A plan for establishing priority for the relocation of
10 persons displaced by the project

11 (l) Provision for the costs of relocating persons displaced
12 by the project and financial assistance and reimbursement of
13 expenses, including litigation expenses and expenses incident to
14 the transfer of title

15 (m) A plan for compliance with Act No 227 of the Public
16 Acts of 1972, being sections 213 321 to 213 332 of the Michigan
17 Compiled Laws

18 (n) Other information that the authority considers
19 appropriate

20 (7) The resolution approving the project development plan
21 shall contain a determination that the project development plan
22 constitutes a public purpose and the board shall approve a
23 project development plan pursuant to criteria adopted by resolu-
24 tion of the board in accordance with the purposes of this act

25 (8) Before adoption of a resolution approving a project
26 development plan, the board shall hold a public hearing on the
27 project development plan Notice of the time and place of the

1 hearing shall be given by publication at least once in a
2 newspaper of general circulation in the area of the local govern-
3 mental unit affected by the project development plan not less
4 than 10 days, and not more than 60 days, before the public
5 hearing At the hearing, the board shall provide an opportunity
6 for interested persons to be heard and shall receive and consider
7 communications in writing with reference to the project develop-
8 ment plan The notice shall contain all the following

9 (a) The date, time, and place of the hearing

10 (b) A general description of the land to which the project
11 development plan applies in relation to highways, streets,
12 streams, or otherwise

13 (c) A statement that a description of the project develop-
14 ment plan is available for public inspection at a place desig-
15 nated in the notice, and that all aspects of the project develop-
16 ment plan will be open for discussion at the hearing

17 (d) Other information as the board considers appropriate

18 (9) The procedure and findings with respect to purpose and
19 the validity of the proceedings and actions adopting a project
20 development plan shall be conclusive unless contested in a court
21 of competent jurisdiction within 60 days after adoption of the
22 resolution adopting the project development plan An amendment,
23 adopted by resolution, to a conclusive plan shall likewise be
24 conclusive unless contested within 60 days after adoption of the
25 resolution adopting the amendment If a resolution adopting an
26 amendment to the plan is contested, the resolution adopting the
27 plan prior to amendment is not open to contest

1 (10) A local governmental unit or qualified business that
2 receives any funds pursuant to this act to develop a project
3 shall pay the prevailing wage and fringe benefits as they are
4 determined under Act No 166 of the Public Acts of 1965, being
5 sections 448 552 to 448 558 of the Michigan Compiled Laws

6 Sec 13 (1) Upon receipt of an application from a local
7 governmental unit, the authority shall review the application
8 and by resolution, shall approve or reject the application based
9 upon criteria set forth in this act

10 (2) If the authority rejects an application, the authority
11 shall return the application to the local governmental unit along
12 with the resolution of rejection which shall include a statement
13 of the reason for rejection A local governmental unit may
14 resubmit a rejected application

15 Sec 14 (1) A business that plans to meet the conditions
16 for a qualified business prescribed in this act may apply to the
17 local governmental unit in which the business will be located as
18 a qualified business for certification as a qualified business

19 (2) If a local governmental unit approves a certification,
20 the local governmental unit shall forward the application and
21 certification to the authority If a local governmental unit
22 rejects an application, the local governmental unit shall return
23 the application to the business with a written statement of the
24 reasons for rejection

25 (3) A business whose application for certification as a
26 qualified business is rejected by a local governmental unit may

1 submit another application to the local governmental unit or may
2 appeal the rejection to the authority

3 (4) If a business that is certified to or appeals to the
4 authority meets the conditions for a qualified business pre-
5 scribed by this act, the authority shall approve the certifica-
6 tion of that business as a qualified business If the authority
7 rejects the application or appeal, the authority shall return the
8 application or appeal to the business with a written statement of
9 the reasons for rejection A business whose application is
10 rejected by the authority may resubmit the application or may
11 take other action that the business considers necessary to obtain
12 certification as a qualified business

13 Sec 15 Before being entitled to certification as a quali-
14 fied business, a business shall certify to the local governmental
15 unit in writing at least all of the following

16 (a) The minimum number of new jobs which will be created by
17 the business as a qualified business and the duration of those
18 jobs

19 (b) The minimum amount of investment which will be made in
20 the empowerment zone

21 (c) Each exemption, credit, or deduction to which the busi-
22 ness will be entitled as a qualified business and the duration of
23 each exemption, credit, or deduction

24 (d) That the business is aware that violation of the terms
25 of this act or the certification under this section may result in
26 revocation of its certification as a qualified business

1 (e) That location of the project or qualified new business
2 in the empowerment zone will not have the effect of transferring
3 employment from another local governmental unit or from a town-
4 ship or village, or if employment will be transferred, the name
5 of each local governmental unit, township, or village from which
6 employment will be transferred

7 Sec 16 If the location of a project or qualified new
8 business in an empowerment zone will have the effect of transfer-
9 ring employment from another local governmental unit or a town-
10 ship or village, a business shall not be certified as a qualified
11 business unless the legislative body of each local governmental
12 unit, township, or village from which employment will be trans-
13 ferred consents by resolution to the certification

14 Sec 17 (1) A resident of an empowerment zone, a business
15 located within an empowerment zone, or the authority may allege
16 to the local governmental unit noncompliance with this act
17 including but not limited to noncompliance by a qualified busi-
18 ness with a certification made by the business under section 15
19 or noncompliance by the local governmental unit

20 (2) A local governmental unit shall attempt to resolve alle-
21 gations of noncompliance without formal proceedings If an alle-
22 gation is not resolved by the local governmental unit within 120
23 days, the alleging party may request a hearing or may file the
24 allegation with the authority

25 (3) Within 30 days after holding a hearing concerning an
26 allegation of noncompliance and subject to appeal to the
27 authority, the local governmental unit shall take the action it

1 considers necessary to remedy the noncompliance This action may
2 include, but is not limited to, the revocation of the certifica-
3 tion of a qualified business Unless the authority orders other-
4 wise upon an appeal, revocation of certification by the local
5 governmental unit is revocation by the authority

6 (4) The authority shall attempt to resolve an allegation of
7 noncompliance without formal proceedings If the allegation is
8 not resolved within 60 days after it is filed with the authority,
9 the authority shall hold a hearing regarding the alleged
10 noncompliance

11 (5) Within 30 days after a hearing on an allegation, the
12 authority shall render a decision regarding the allegation and
13 may issue any order the authority considers necessary to remedy
14 the noncompliance The order may include, but is not limited to,
15 revocation of the certification of a qualified business or, if a
16 local governmental unit is in substantial noncompliance, revoca-
17 tion of approval of the empowerment zone

18 Sec 18 The qualified business activity of a qualified
19 business is eligible for an exemption credit or deduction as
20 provided by this act, another law of this state or a law of the
21 United States

22 Sec 19 An exemption, credit or deduction granted to a
23 qualified business shall continue until the certification of a
24 qualified business is revoked as provided in this act, for 10
25 years from the date that the business is certified as a qualified
26 business or as otherwise specified by law Even if approval of
27 an empowerment zone is revoked by the authority as provided in

1 this act, an exemption, credit, or deduction granted to a
2 qualified business located in that empowerment zone shall con-
3 tinue until revoked or until the 10-year or other specified
4 period elapses

5 Sec 20 Unless the certification of a qualified business
6 is revoked as provided in this act, for 10 years from the date on
7 which construction, restoration, alteration, or renovation
8 begins, a project owned by a qualified existing business or
9 industrial or commercial property located in an empowerment zone
10 owned by a qualified new business is exempt from all ad valorem
11 real and personal property taxes

12 Sec 21 (1) Residential, commercial, industrial, or util-
13 ity property that is located in the area comprising an empower-
14 ment zone at the time the area is approved as an empowerment zone
15 and that is not exempt under section 20 is exempt from ad valorem
16 real and personal property taxes imposed through the year 2004

17 (2) The exemption allowed by this section applies only to
18 residential, commercial, industrial, or utility property located
19 in a local governmental unit that complies with all of the
20 following

21 (a) The legislative body of the local governmental unit in
22 cooperation with the local governmental unit's chief executive
23 officer develops a comprehensive project development plan that
24 addresses the needs of the local governmental unit and that
25 includes a strategy for achieving the goals of the local govern-
26 mental unit and its residents and businesses with regard to
27 historic preservation and economic development The project

1 development plan shall contain a spending plan, approved by a
2 resolution of the authority

3 (b) The local governmental unit uses not less than 90% of
4 the specific tax collected under section 22(2) to create a
5 revolving loan fund for the development of projects within the
6 empowerment zone

7 Sec 22 (1) A specific tax is levied in each year upon an
8 owner of property exempted under section 20 or 21, the amount of
9 which is determined by multiplying 50% of the average rate of
10 taxation levied upon other property upon which ad valorem taxes
11 are assessed as determined by the state board of assessors under
12 section 13 of Act No 282 of the Public Acts of 1905, being sec-
13 tion 207 13 of the Michigan Compiled Laws, by the state equalized
14 valuation of that property excluding the exemptions granted by
15 this act

16 (2) The tax levied under subsection (1) is an annual tax
17 payable to the same officer or officers as taxes collected under
18 the general property tax act with 1/2 of the tax levied on July 1
19 and 1/2 levied on December 1 The officer or officers shall dis-
20 burse the tax payments received each year under subsection (1) to
21 the same local governmental unit, school districts county, and
22 authorities at the same times and in the same proportions as
23 required by law for the disbursement of taxes collected under the
24 general property tax act, except for the amount that would other-
25 wise be disbursed to a local school district for school operating
26 purposes shall be paid instead to the local governmental unit in
27 which the property is located

1 (3) Subject to section 21, a local governmental unit that
2 receives money under subsection (2) may enter into an agreement
3 with a downtown development authority or tax increment finance
4 authority to share a portion of the money received by the local
5 governmental unit under subsection (2) in not more than the same
6 proportion that the authority would have received if the tax
7 levied under subsection (1) could be captured under a tax incre-
8 ment financing plan

9 (4) The owner of property exempt from ad valorem real and
10 personal property taxes under section 20 may claim a credit
11 against the tax levied on December 1 under subsection (2) for the
12 sum of all the following, but not more than the amount by which
13 the tax levied for the year under subsection (2) exceeds the
14 amount determined by multiplying the average rate of taxation
15 levied upon other property upon which ad valorem taxes are
16 assessed as determined by the state board of assessors under
17 section 13 of Act No 282 of the Public Acts of 1905 by the state
18 equalized valuation of that property excluding the exemptions
19 granted by this act

20 (a) The amount spent in the year to restore alter reno-
21 vate, or improve real property located in the empowerment zone

22 (b) Fifteen percent of wages paid during the year to resi-
23 dents of the empowerment zone who were hired by the owner after
24 July 4, 1994 and who were employed at some time during the 6
25 months before being hired

26 (c) Twenty-five percent of wages paid during the year to
27 residents of the empowerment zone who were hired by the owner

1 after July 4, 1994 and who were not employed at any time during
2 the 6 months before being hired

3 (d) Cash and in-kind contributions made by that owner during
4 the year to and accepted by a local taxing unit located in the
5 empowerment zone

6 (5) The amount of the tax levied upon real property under
7 subsection (1), until paid, is a lien upon the real property upon
8 which the tax is levied Only after the officer files a certifi-
9 cate of nonpayment of the tax, together with an affidavit of
10 proof of service of the certificate of nonpayment upon the owner
11 of the property by certified mail, with the register of deeds of
12 the county in which the property is situated, may proceedings be
13 had upon the lien in the same manner as provided by law for the
14 foreclosure in the circuit court of mortgage liens upon real
15 property

16 (6) The owner of property who has failed to pay a tax levied
17 under this section is not eligible to claim the credit under sub-
18 section (4)

19 Sec 23 (1) If the tax applicable to personal or real
20 property levied under section 22 is not paid within the time per-
21 mitted by law for payment without penalty of taxes imposed under
22 the general property tax act, Act No 206 of the Public Acts of
23 1893, being sections 211 1 to 211 157 of the Michigan Compiled
24 Laws, the officer to whom the tax is first payable may in his or
25 her own name, or in the name of the city, village, township, or
26 county of which he or she is an officer, seize and sell personal
27 or real property within this state of the owner who has so

1 neglected or refused to pay the tax applicable to personal or
2 real property, to an amount sufficient to pay the tax, the
3 expenses of sale, and interest on the tax at the rate of 9% per
4 annum from the date the tax was first payable or the officer may
5 in his or her own name, or in the name of the city, village,
6 township or county of which he or she is an officer, institute a
7 civil action against the owner in the circuit court of the county
8 in which the facility is located or in the circuit court of the
9 county in which the owner resides or has a principal place of
10 business and in that civil action recover the amount of the tax
11 and interest on the tax at the rate of 9% per annum from the date
12 the tax was first payable

13 (2) The officer may proceed to make a jeopardy assessment,
14 in the manner and under the circumstances provided by Act No 55
15 of the Public Acts of 1956, being sections 211 691 to 211 697 of
16 the Michigan Compiled Laws as an additional means of collecting
17 the amount of the tax under those circumstances

18 (3) The officer may pursue 1 or more of the remedies pro-
19 vided in this section until the officer receives the amount of
20 the tax, interest on the tax, and costs allowed by this act or by
21 law governing the proceedings of civil actions in the circuit
22 courts The amount of the tax and interest on the tax shall be
23 disbursed by the officer in the same manner as the tax levied
24 under section 22 is disbursed when first payable

25 Sec 24 The Michigan state preservation, empowerment, and
26 economic development fund is created within the state treasury to
27 be administered by the authority Revenues received by the

1 authority as provided in section 26 shall be deposited in the
2 empowerment fund and shall be disbursed by the state treasurer
3 only in accordance with the terms of a resolution adopted by the
4 board as provided in this act Money in the empowerment fund at
5 the close of the fiscal year remains in the fund and does not
6 revert to the general fund Money in the empowerment fund shall
7 be used only as provided in this act and is not subject to appro-
8 priation for any other purpose

9 Sec 25 (1) The authority may pay principal interest, and
10 other costs associated with bonds or other obligations including
11 amounts due pursuant to an agreement entered into to manage pay-
12 ment, revenue, or interest rate exposure from the following reve-
13 nues, subject to subsection (3)

14 (a) A federal grant loan, appropriation, payment, or
15 contribution

16 (b) The proceeds from the sale exchange mortgage lease,
17 or other disposition of property that the authority has acquired
18 or received

19 (c) A grant, loan appropriation payment or proceeds from
20 repayments of loans made by the authority

21 (d) Investment earnings on the revenues described in
22 subdivisions (a), (b), and (c)

23 (e) Payments received pursuant to 1 or more of the agree-
24 ments to manage payment, revenue, or interest rate exposure

25 (2) To the extent revenues are not necessary for payments
26 pursuant to subsection (1) or to fund a reserve, the authority
27 may make payments for other purposes authorized in this act both

1 within an empowerment zone from the revenues received under
2 subsection (1)(a), (b), (c), or (d)

3 Sec 26 (1) The authority may authorize and issue its
4 bonds or other obligations payable solely from the revenues or
5 funds available to the authority under section 25 A bond or
6 other obligation of the authority is not a debt or liability of
7 the state and does not create or constitute an indebtedness,
8 liability, or obligation of this state or constitute a pledge of
9 the faith and credit of this state An authority bond or other
10 obligation is payable solely from revenues or funds pledged or
11 available for its payment as authorized in this act Each bond
12 and other obligation shall contain on its face a statement to the
13 effect that the authority is obligated to pay the principal of
14 and the interest on the bond or other obligation only from reve-
15 nues or from funds of the authority pledged for payment and that
16 this state is not obligated to pay that principal or interest and
17 that neither the faith and credit nor the taxing power of this
18 state is pledged to the payment of the principal of or the inter-
19 est on the bond or other obligation

20 (2) Expenses incurred in implementing this act are payable
21 solely from revenues provided or to be provided under this act
22 This act does not authorize the authority to incur any indebted-
23 ness or liability on behalf of or payable by this state

24 Sec 27 (1) The authority may issue from time to time
25 bonds or other obligations in principal amounts the authority
26 considers necessary to provide funds for the following

1 (a) Acquiring, holding, clearing, remediating, improving,
2 maintaining, managing, controlling, selling, exchanging,
3 mortgaging, and leasing property as provided in section 12 and
4 for the financing of the costs of a project as defined in section
5 3 and to make loans for any such purpose

6 (b) The payment, funding, or refunding of the principal of,
7 interest on, or redemption premiums on bonds or other obligations
8 issued by the authority whether the bonds or other obligations or
9 interest to be funded or refunded have or have not become due

10 (c) The establishment or increase of reserves to secure or
11 to pay bonds or other obligations of the authority or interest on
12 those bonds or other obligations

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

15 (e) The payment of all other costs or expenses of the
16 authority incident to and necessary or convenient to carry out
17 its corporate purposes and powers including but not limited to
18 the payment of any fees and charges associated with any agreement
19 to manage payment, revenue, or interest rate exposure

20 (f) Any other purpose reasonably related to or connected
21 with the purposes described in subdivisions (a) through (e)

22 (2) The bonds or other obligations of the authority are not
23 a general obligation of the authority but are payable solely from
24 the revenues or funds, or both, pledged to the payment of the
25 principal of and interest on the bonds or other obligations as
26 provided in the resolution authorizing the bonds or other
27 obligations

- 1 (3) The bonds or other obligations of the authority shall be
2 authorized by resolution of the authority and
- 3 (a) Shall bear the date or dates of issuance
- 4 (b) May be issued in 1 or more series
- 5 (c) May be issued as either tax exempt bonds or other obli-
6 gations or taxable bonds or other obligations for federal income
7 tax purposes
- 8 (d) Shall be serial bonds, term bonds, or term and serial
9 bonds
- 10 (e) Shall mature at a time or times not exceeding 50 years
11 from the date of issuance
- 12 (f) May provide for sinking fund payments
- 13 (g) May provide for redemption at the option of the author-
14 ity for any reason or reasons
- 15 (h) May provide for redemption at the option of the holder
16 of the bonds or other obligations for any reason or reasons
- 17 (i) Shall bear interest at a fixed or variable rate or rates
18 of interest per annum or at no interest
- 19 (j) Shall be in either registered or coupon form, or both
- 20 (k) May contain a registration or a conversion feature, or
21 both
- 22 (l) May be transferable
- 23 (m) Shall be in the form, in the denomination or denomina-
24 tions, and with such other provisions and terms as the authority
25 determines necessary or beneficial
- 26 (4) The proceeds of bonds or other obligations issued under
27 this act shall be deposited into a fund or account as authorized

1 or designated by resolution indenture or other agreement of the
2 authority

3 Sec 28 (1) If a member of the board or an officer of the
4 authority whose signature or a facsimile of whose signature
5 appears on a bond or other obligation or coupon ceases to be a
6 member or officer before the delivery of that bond or other obli-
7 gation or coupon, the signature or facsimile signature continues
8 to be valid and sufficient for all purposes, as if the member or
9 officer had remained in office until the delivery

10 (2) A bond or other obligation of the authority may be sold
11 at a public or private sale at the time or times, at the price or
12 prices, and at a discount or premium as the authority
13 determines An authority bond or other obligation is not subject
14 to the municipal finance act Act No 202 of the Public Acts of
15 1943, being sections 131 1 to 139 3 of the Michigan Compiled
16 Laws The bond or other obligation does not require the approval
17 of the state treasurer under Act No 202 of the Public Acts of
18 1943 and is not required to be registered The bond or other
19 obligation is not required to be filed under the uniform securi-
20 ties act, Act No 265 of the Public Acts of 1964 being sections
21 451 501 to 451 818 of the Michigan Compiled Laws

22 (3) Neither the members of the board nor any person execut-
23 ing bonds or other obligations issued under this act or a person
24 executing an agreement on behalf of the authority is liable per-
25 sonally on the bonds or other obligations by reason of their
26 issuance

1 Sec 29 (1) The authority may create and establish a
2 special fund to secure an issue of bonds or other obligations,
3 referred to as a reserve fund, and shall pay into the reserve
4 fund the proceeds of a sale of an issue of bonds or other obliga-
5 tions to the extent provided in the resolution of the board
6 authorizing the issuance of bonds or other obligations, and other
7 money that may be available to the authority under this act
8 Except as provided in this act, money held in a reserve fund
9 shall be used solely for the payment of the principal of or
10 interest on the bonds or other obligations for which the reserve
11 fund is established, or the payment of a redemption premium
12 required to be paid when the bonds or other obligations are
13 redeemed before maturity Money in the reserve fund shall not be
14 withdrawn from the fund except for the purpose of paying princi-
15 pal of and interest on the bonds or other obligations for which
16 the reserve fund is established that mature and become due and
17 for the payment of which other money of the authority is not
18 available or otherwise provided in this act, or after legal
19 defeasance of the bonds or other obligations for which the
20 reserve fund is established for any other corporate purpose of
21 the authority as the board determines by resolution

22 (2) Except as otherwise provided in this act, income or
23 interest earned by, or increment to, a reserve fund due to the
24 investment or reinvestment of the reserve fund may only be with-
25 drawn and used for a purpose 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 is established, as the
2 board determines in the resolution authorizing the bonds or other
3 obligations

4 Sec 30 (1) The authority shall not have bonds or other
5 obligations outstanding at any 1 time for any of its corporate
6 purposes in a principal amount totaling more than
7 \$400,000,000 00, which limitation does not include principal
8 appreciation as provided in subsection (3) or bonds or other
9 obligations or portions of bonds or other obligations used to pay
10 for any of the following

11 (a) Amounts set aside for payment of interest

12 (b) Amounts set aside for a reserve for payment of princi-
13 pal, interest, and redemption premiums

14 (c) Costs of issuance of the bonds or other obligations and
15 the discount, if any, on sale

16 (d) The sums expected to be set aside for the purposes pro-
17 vided in subdivisions (a), (b), and (c) for bonds or other obli-
18 gations authorized by the authority but not sold

19 (e) Bonds that are considered paid and are no longer consid-
20 ered outstanding

21 (2) The amounts set aside or expected to be set aside for
22 the purposes provided in this subsection and in subsection (1)
23 shall be conclusively determined by a certificate setting forth
24 the amounts executed by the chairperson of the board In addi-
25 tion, there shall be excluded from the limitation in subsection
26 (1), bonds or other obligations issued to refund prior bonds and

1 obligations under agreements to manage payment, revenue, or
2 interest rate exposure

3 (3) If the authority issues a bond or other obligation that
4 appreciates in principal amount, the amount of principal appreci-
5 ation each year on that bond or other obligation, after the date
6 of original issuance, shall not be considered to be principal
7 indebtedness for the purposes of the limitation in subsection (1)
8 or any other limitation. The appreciation of principal after the
9 date of original issuance shall be considered interest and shall
10 be within the limitations set forth in this act.

11 (4) Except as otherwise provided in subsection (5), the
12 authority shall not have bonds or other obligations outstanding
13 at any 1 time in a principal amount totaling more than
14 \$5 000,000 00 for projects within a local governmental unit.

15 (5) For a city with a population over 100,000, the authority
16 may exceed the bond cap provided for in subsection (4). The bond
17 cap for a city with a population over 100,000 equals the popula-
18 tion of that city divided by the population of this state and
19 that amount multiplied by the total amount of the bonding autho-
20 rized in subsection (1).

21 Sec 31 (1) The authority may provide for the issuance of
22 bonds or other obligations in the amounts the authority considers
23 necessary for the purpose of refunding bonds or other obligations
24 of the authority then outstanding, including the payment of a
25 redemption premium and interest accrued or to accrue to the ear-
26 liest or subsequent date of redemption, purchase or maturity of
27 the bonds or other obligations. The proceeds of bonds or other

1 obligations issued for the purpose of refunding outstanding bonds
2 or other obligations may be applied by the authority to the pur-
3 chase or retirement at maturity or redemption of outstanding
4 bonds or other obligations either on the earliest or a subsequent
5 redemption date, and pending that application, may be placed in
6 escrow to be applied to the purchase or retirement at maturity or
7 redemption on the date or dates determined by the authority
8 Pending application and subject to agreements with holders of
9 bonds or other obligations of the authority, the escrowed pro-
10 ceeds may be invested and reinvested in the manner the board
11 determines, maturing at the time or times as appropriate to
12 assure the prompt payment of the principal, interest and redemp-
13 tion premium, if any, on the outstanding bonds or other obliga-
14 tions to be refunded After the terms of the escrow have been
15 fully satisfied and carried out, the balance of the proceeds and
16 interest, income and profits, if any earned or realized on the
17 investment of the proceeds, if any, shall be returned to the
18 authority for use by the authority in any lawful manner as autho-
19 rized under this act

20 (2) In the resolution authorizing bonds or other obligations
21 to refund bonds or other obligations, the authority may provide
22 that the bonds or other obligations to be refunded are considered
23 paid and no longer outstanding when there has been deposited in
24 trust, money or government securities that will provide payments
25 of principal and interest adequate to pay the principal and
26 interest on the bonds or other obligations to be refunded, as
27 that principal and interest becomes due whether by maturity or

1 prior redemption and that, upon the deposit of the money or
2 government securities, the obligations of the authority to the
3 holders of the bonds or other obligations to be refunded are ter-
4 minated except as to the rights to the money or government secur-
5 ities deposited in trust

6 Sec 32 (1) The authority may authorize, approve, enter
7 into, and obtain an insurance contract, an agreement for a line
8 of credit or a letter of credit, a commitment to purchase bonds
9 or other obligations, an agreement to remarket bonds or other
10 obligations, an agreement to manage payment, revenue, or interest
11 rate exposure, and any other transaction to provide security to
12 assure timely payment of a bond or other obligation

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

22 (3) Subject to a prior pledge or lien created pursuant to
23 this act, payments to be made by the authority pursuant to agree-
24 ments to manage payment revenue, or interest rate exposure are
25 payable, together with other obligations of the authority, from
26 those sources described in section 26, all with the parity and

1 priority and upon the conditions as are set forth in the board's
2 resolution or resolutions

3 Sec 33 Within limitations that are contained in the issu-
4 ance or authorization resolution of the authority, the authority
5 may authorize a member of the board or the chairperson, presi-
6 dent, or other officer of the authority to do 1 or more of the
7 following

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

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

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

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

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

25 (f) Direct the investment of money of the authority that the
26 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, an agreement to management payment, revenue,
5 or interest rate exposure, or any other transaction to provide
6 security to assure timely payment of a bond or other obligation

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

9 Sec 34 In addition to its other powers, duties, and func-
10 tions, the authority has the power to make and perform all of the
11 following, and a resolution of the board authorizing bonds or
12 other obligations may provide for all or any portion of the fol-
13 lowing which, if provided in the resolution becomes part of the
14 contract with the holders of the bonds or other obligations

15 (a) A pledge to any payment or purpose of all or any part of
16 the fund or authority revenues or assets to which its right then
17 exists or may later come to exist, and of money derived from the
18 revenues or assets, and of the proceeds of bonds or other obliga-
19 tions, subject to existing agreements with holders of bonds or
20 other obligations

21 (b) A pledge to any payment or purpose of a loan, grant, or
22 contribution from the federal government, this state, a political
23 subdivision of this state, or an agency of this state

24 (c) The establishment and setting aside of reserves or sink-
25 ing funds and the regulation and disposition of reserves or sink-
26 ing funds subject to this act

1 (d) Authority for and limitations on the issuance of
2 additional bonds or other obligations for the purposes provided
3 in the resolution and the terms upon which additional bonds or
4 other obligations may be issued and secured

5 (e) The procedure, if any, by which the terms of a contract
6 with holders of the bonds or other obligations may be amended or
7 abrogated, the amount of bonds or other obligations the holders
8 of which are required to consent to the amendment or abrogation,
9 and the manner in which the consent may be given

10 (f) A contract with the holders of the bonds or other obli-
11 gations as to the custody, collection securing investment, and
12 payment of money of the authority Money of the authority and
13 deposits of money may be secured in the manner determined by the
14 authority Banks and trust companies may give security for the
15 deposits

16 (g) Vest in a trustee or a secured party, in or outside the
17 state the property, income, revenues, receipts rights, reme-
18 dies powers, and duties in trust or otherwise that the authority
19 determines necessary or appropriate to adequately secure and pro-
20 tect the holders of bonds or other obligations, to limit or abro-
21 gate the right of the holders of bonds or other obligations to
22 appoint a trustee under this act, or to limit the rights, powers,
23 and duties of the trustee

24 (h) Provide to a trustee or the holders of the bonds or
25 other obligations remedies that may be exercised if the authority
26 fails or refuses to comply with this act or defaults in an
27 agreement made with the holders of an issue of the bonds or other

1 obligations, which remedies may include any 1 or more of the
2 following

3 (1) Enforcing by mandamus or other action the rights of the
4 holders of bonds or other obligations, and requiring the author-
5 ity to implement other agreements with the holders of the bonds
6 or other obligations and to perform the authority's duties under
7 this act

8 (11) Bringing an action upon the bonds or other
9 obligations

10 (111) By action requiring the authority to account as if it
11 were the trustee of an express trust for the holders of the bonds
12 or other obligations

13 (1v) By action enjoining an act or thing that may be unlaw-
14 ful or in violation of the rights of the holders of the bonds or
15 other obligations

16 (v) Declaring the bonds or other obligations due and pay-
17 able, and if all defaults are made good then as permitted by
18 the resolution, annulling that declaration and its consequences

19 (1) A limit on the rights of the holders of the bonds or
20 other obligations to enforce a pledge or covenant securing the
21 bonds or other obligations

22 (j) Any other matters of like or different character, which
23 in any way affect the security or protection of the bonds or
24 other obligations

25 Sec 35 A pledge of money or property made by the author-
26 ity is valid and binding from the time the pledge is made Money
27 or property pledged and received by the authority is immediately

1 subject to the lien of the pledge without a physical delivery or
2 further act The lien of such a pledge is valid and binding
3 against parties having a claim in tort, contract, or otherwise
4 against the authority, and is valid and binding as against the
5 transferees of the money or property pledged, regardless of
6 whether parties have notice of the pledge Neither the resolu-
7 tion, the trust agreement, nor any other instrument by which a
8 pledge is created is required to be filed or recorded to estab-
9 lish and perfect a lien or security interest in the pledged money
10 or property

11 Sec 36 The state pledges to and agrees with the holders
12 of bonds or other obligations issued under this act that the
13 state shall not limit or restrict the rights vested in the
14 authority by this act to fulfill the terms of an agreement made
15 with the holders of bonds or other obligations, or in any way
16 impair the rights or remedies of the holders of the bonds or
17 other obligations until the bonds and other obligations, together
18 with interest on the bonds or other obligations and interest on
19 unpaid installments of interest, and costs and expenses in con-
20 nection with an action or proceedings by or on behalf of those
21 holders, are fully met, paid, and discharged

22 Sec 37 Notwithstanding any restriction provided by law,
23 the state and a public officer, local unit of government, or
24 agency of the state or of a local unit of government a bank,
25 trust company, savings bank and institution, savings and loan
26 association, investment company, or other person carrying on a
27 banking business an insurance company, insurance association, or

1 other person carrying on an insurance business or an executor,
2 administrator, guardian, trustee, or other fiduciary may legally
3 invest money belonging to them or within their control in bonds
4 or other obligations issued under this act, and authority bonds
5 or other obligations are authorized security for public
6 deposits

7 Sec 38 (1) Property of the authority is public property
8 devoted to an essential public and governmental function and
9 purpose Income of the authority is for a public purpose

10 (2) The property of the authority, except for property that
11 it may lease to private persons, and its income and operation are
12 exempt from all taxes and special assessments of the state or a
13 political subdivision of the state Instruments of conveyance to
14 and from the authority are exempt from all taxation including
15 without limitation taxes imposed by Act No 134 of the Public
16 Acts of 1966, being sections 207 501 to 207 513 of the Michigan
17 Compiled Laws and taxes imposed under the state real estate
18 transfer tax act Act No 330 of the Public Acts of 1993, being
19 sections 207 521 to 207 538 of the Michigan Compiled Laws

20 (3) Bonds or other obligations issued by the authority, and
21 the interest on an income from those bonds and other obligations,
22 are exempt from all taxation of the state or a political subdivi-
23 sion of the state

24 Sec 39 If a section, subsection, paragraph, clause, or
25 provision of this act is adjudged unconstitutional or ineffec-
26 tive, no other section, subsection, paragraph, clause, or
27 provision of this act shall on account of that adjudication be

1 considered invalid or ineffective and the inapplicability or
2 invalidity of a section, subsection, paragraph, clause, or provi-
3 sion of this act in 1 or more instances or under 1 or more cir-
4 cumstances shall not be taken to affect or prejudice its applica-
5 bility or validity in another instance or under another
6 circumstance

7 Sec 40 This act shall be construed liberally to effectu-
8 ate the legislative intent and the purposes as complete and inde-
9 pendent authority for the performance of each and every act and
10 thing authorized by this act, and all powers granted by this act
11 shall be broadly interpreted to effectuate the intent and pur-
12 poses and not as a limitation of powers