



SENATE BILL No. 834

February 1, 1996, Introduced by Senator BOUCHARD and referred to the Committee on Financial Services.

A bill to amend the title and sections 7 and 13 of Act No. 227 of the Public Acts of 1985, entitled as amended "Shared credit rating act," as amended by Act No. 281 of the Public Acts of 1990, being sections 141.1057 and 141.1063 of the Michigan Compiled Laws; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. The title and sections 7 and 13 of Act No. 227
2 of the Public Acts of 1985, as amended by Act No. 281 of the
3 Public Acts of 1990, being sections 141.1057 and 141.1063 of the
4 Michigan Compiled Laws, are amended to read as follows:

5 TITLE

6 An act to create the Michigan municipal bond authority and
7 to prescribe its powers and duties; to provide for the issuance
8 of, and terms and conditions for, notes and bonds of the

1 authority; to authorize certain forms of assistance to
2 governmental units including ~~, but not limited to,~~ the CREATION
3 AND management of investments; ~~and the creation and management~~
4 ~~of investment pools,~~ to impose conditions on, grant certain
5 powers to political subdivisions of the state regarding, and
6 allow certain agreements regarding obligations of political sub-
7 divisions of the state purchased by the authority; to exempt the
8 property, income, and operation of the authority, its bonds and
9 notes, and the interest on its bonds and notes from certain
10 taxes; and to grant powers and impose duties on officers and
11 agencies of the state and political subdivisions of the state.

12 Sec. 7. The board has all of the following powers:

13 (a) To adopt bylaws for the regulation of its affairs.

14 (b) To adopt an official seal.

15 (c) To maintain a principal office at a place within this
16 state.

17 (d) To sue and be sued in its own name and to plead and be
18 impleaded.

19 (e) To loan money to a governmental unit at a rate or rates
20 as the authority determines and to purchase and sell, and to
21 commit to purchase and sell, municipal obligations pursuant to
22 this act.

23 (f) To borrow money and issue negotiable revenue bonds and
24 notes pursuant to this act.

25 (g) To make and enter into contracts and other instruments
26 necessary or incidental to the performance of its duties and the
27 exercise of its powers. By rotating the services of legal

1 counsel, the authority shall seek to increase the pool of
2 nationally recognized bond counsel.

3 (h) To receive and accept from any source grants or contri-
4 butions of money, property, or other things of value, excluding
5 appropriations from the general fund of the state except for
6 appropriations to the state water pollution control revolving
7 fund established under section 16a, to be used, held, and applied
8 only for the purposes for which the grants and contributions were
9 made.

10 (i) To do all acts necessary or convenient to carry out the
11 powers expressly granted.

12 (j) To require that final actions of the board are entered
13 in the journal for the board and that all writings prepared,
14 owned, used, in the possession of, or retained by the board in
15 the performance of an official function be made available to the
16 public in compliance with the freedom of information act, Act
17 No. 442 of the Public Acts of 1976, being sections 15.231 to
18 15.246 of the Michigan Compiled Laws.

19 (k) To promulgate rules necessary to carry out the purposes
20 of this act and to exercise the powers expressly granted in this
21 act pursuant to the administrative procedures act of 1969, Act
22 No. 306 of the Public Acts of 1969, being sections 24.201 to
23 24.328 of the Michigan Compiled Laws.

24 (l) To engage the services of private consultants on a con-
25 tract basis for rendering professional and technical assistance
26 and advice.

1 (m) To investigate and assess the infrastructure needs of
2 the state, current methods of financing infrastructure
3 rehabilitation and improvements, and resources and financing
4 options currently available and potentially useful to improve the
5 state's infrastructure and lower the costs of those
6 improvements.

7 (n) To indemnify and procure insurance indemnifying members
8 of the board from personal loss or accountability from liability
9 asserted by a person on bonds or notes of the authority or from
10 any personal liability or accountability by reason of the issu-
11 ance of the bonds or notes, or by reason of any other action
12 taken or the failure to act by the authority.

13 (o) To investigate and assess short-term and long-term bor-
14 rowing requirements for operating, capital improvements, and
15 delinquent taxes.

16 (p) To provide assistance, as that term is defined in sec-
17 tion 3 of the state clean water assistance act, Act No. 317 of
18 the Public Acts of 1988, being section 323.453 of the Michigan
19 Compiled Laws, to any municipality for a revolving fund project
20 and to perform all functions necessary or incident to providing
21 that assistance and to the operation of the state water pollution
22 control revolving fund established under section 16a.

23 (q) To enter into agreements with the federal government to
24 implement the establishment and operation of the state water pol-
25 lution control revolving fund established under section 16a pur-
26 suant to the provisions of the federal water pollution control
27 act and the rules and regulations promulgated under that act.

~~(1) To manage an investment or create and manage an investment pool for a governmental unit. In implementing this subdivision, the authority may contract with private or public sector fund investment advisors, investment managers, and fund administrators, and with the department of treasury to pool a governmental unit's investment with the investment of state surplus funds under Act No. 105 of the Public Acts of 1955, being sections 21.141 to 21.147 of the Michigan Compiled Laws. However, the authority may not invest a governmental unit's money in a manner not authorized by law or charter for that governmental unit. The department of treasury shall consider and account for a governmental unit's investment that is pooled with state surplus fund investments as a trust fund that is equivalent to a debt service fund within the state common cash fund.~~

Sec. 13. Within limitations that are stated in the issuance or authorization resolution of the authority, the authority may authorize a member of the board or the executive director of the authority to do 1 or more of the following:

(a) Sell and deliver, and receive payment for, notes or bonds.

(b) Refund notes or bonds by the delivery of new notes or bonds whether or not the notes or bonds to be refunded have matured or are subject to redemption.

(c) Deliver notes or bonds, partly to refund notes or bonds and partly for any other authorized purpose.

(d) Buy notes or bonds so issued and resell those notes or bonds.

1 (e) Approve interest rates or methods for fixing interest
2 rates, prices, discounts, maturities, principal amounts, denomi-
3 nations, dates of issuance, interest payment dates, redemption
4 rights at the option of the authority or the holder, the place of
5 delivery and payment, and other matters and procedures necessary
6 to complete the transactions authorized.

7 (f) Direct the investment of ~~any and all~~ money of the
8 authority that the authority has the power to invest.

9 (g) ~~Manage~~ CREATE AND MANAGE investments ~~and create and~~
10 ~~manage investment pools~~ on behalf of governmental units and the
11 state water pollution control revolving fund established under
12 section 16a.

13 Section 2. Section 28 of Act No. 227 of the Public Acts of
14 1985, being section 141.1078 of the Michigan Compiled Laws, is
15 repealed.