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Senate Bill 859 (Substitute S-1 as reported)  
Sponsor: Senator Shirley Johnson  
Committee: Finance

### **CONTENT**

The bill would amend the Urban Cooperation Act to specify that bonds or notes issued under the Act would be subject to the Revised Municipal Finance Act. The bill also would eliminate a provision under which bonds or notes must be approved by the Department of Treasury before their issuance but are not otherwise subject to the Municipal Finance Act; a provision that bonds issued under the Urban Cooperation Act are exempt from taxation; and a provision that allows an entity created under the Act to incur debt, liabilities, or obligations that do not constitute the debts, liabilities, or obligations of any of the parties to an interlocal agreement entered into under the Act. (All of these matters are addressed in the Revised Municipal Finance Act.)

(Public Act 34 of 2001 creates the "Revised Municipal Finance Act" to regulate borrowing by municipalities, and their issuance of securities; repeal the Municipal Finance Act; and prescribe the powers and duties of the Department of Treasury to protect the credit of the State and its municipalities. The Act will take effect March 1, 2002. The Municipal Finance Act will be repealed on that day, except for two sections which will be repealed on April 30, 2002.)

MCL 124.507

Legislative Analyst: George Towne

### **FISCAL IMPACT**

The bill would have no fiscal impact on State or local government.

Date Completed: 2-12-02

Fiscal Analyst: David Zin