
Senate Fiscal Agency
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Senate Bills 862 through 865 (as reported without amendment)

Sponsor: Senator Bev Hammerstrom (S.B. 862)

Senator Art Miller (S.B. 863)

Senator Martha G. Scott (S.B. 864)

Senator Gary Peters (S.B. 865)

Committee: Finance

CONTENT

The bills would amend various statutes to replace references to the Municipal Finance Act with references to 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 The Municipal Finance Act will be repealed on that day, except for two sections that will be repealed on April 30, 2002.)

Senate Bill 862 would amend the Resort District Rehabilitation Act. Senate Bill 863 would amend the Emergency Municipal Loan Act. In addition to adding references to the Revised Municipal Finance Act, the bill would delete provisions requiring prior approval of the Department of Treasury. Senate Bill 864 would amend the State Convention Facility Development Act. In addition to adding references to the Revised Municipal Finance Act, the bill would delete provisions pertaining to prior approval of the Department of Treasury, and refunding bonds. (The Revised Municipal Finance Act specifies the conditions under which all municipalities must obtain prior approval to issue notes or bonds.)

Senate Bill 865 would amend the County Development of Solid Waste Management Act. In addition to changing references, the bill would delete provisions that require bonds issued under the Act to be serial bonds or term bonds, with a maturity of 40 years or less; and provisions that pertain to interest rates on the bonds.

Under the Act, a county may contract with a public corporation (a county, city, village, township, district, or authority) to acquire or enlarge a solid waste system. In the contract, each public corporation must pledge its full faith and credit to pay its obligations under the contract. If a public corporation has taxing power, it may levy a tax each year to pay contract obligations. The bill specifies that if the contract, or an unlimited tax pledge in support of the contract, were approved by the electors, the contract would be subject to the Revised Municipal Finance Act.

MCL 125.2208 & 125.2214

Legislative Analyst: G. Towne

FISCAL IMPACT

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

Date Completed: 1-30-02

Fiscal Analyst: D. Zin