

SUBSTITUTE FOR  
HOUSE BILL NO. 5370

A bill to amend 1913 PA 380, entitled

"An act to regulate gifts of real and personal property to cities, villages, townships, and counties, and the use of the those gifts; and to validate all such gifts made before the enactment of this act,"

by amending the title and section 2 (MCL 123.872), the title as amended and section 2 as added by 1985 PA 9.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 TITLE

2 An act to regulate gifts of real and personal property to  
3 cities, villages, townships, and counties, and the use of ~~the~~  
4 those gifts AND OTHER FUNDS; and to validate all ~~such~~ gifts  
5 made before the enactment of this act.

6 Sec. 2. (1) To provide a means and method to encourage and  
7 assist businesses in locating and expanding in this state, and if  
8 not prohibited by the terms of the grant, a city, village,

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1 township, or county may use a federal, state, or local grant or  
2 the proceeds of a federal, state, or local grant to make a  
3 secured or unsecured loan or to make a grant to a private person,  
4 to a corporation or other business association, to a city, vil-  
5 lage, township, or county, or to an instrumentality of a city,  
6 village, township, or county. A COUNTY MAY GRANT OR LOAN FUNDS  
7 THAT ARE NOT DERIVED FROM AD VALOREM TAXES TO A TOWNSHIP, VIL-  
8 LAGE, OR CITY LOCATED WITHIN THAT COUNTY FOR THE PURPOSE OF  
9 ENCOURAGING AND ASSISTING BUSINESSES TO LOCATE AND EXPAND WITHIN  
10 THE COUNTY.

11 (2) A loan or grant made ~~pursuant to~~ UNDER subsection (1)  
12 may be used for local public improvements or to encourage and  
13 assist businesses in locating or expanding in this state, to pre-  
14 serve jobs in this state, to encourage investment in the communi-  
15 ties in this state, or for other public purposes.

16 (3) The right to repayment of a loan made under subsection  
17 (1) may be assigned by a city, village, township, or county to an  
18 entity, agency, or authority created pursuant to law, or to a  
19 private corporation or association created to make and administer  
20 loans made under subsection (1).

21 (4) A city, village, township, or county may receive loans  
22 ~~pursuant to~~ UNDER subsection (1) and issue loan revenue bonds  
23 secured by the repayment of loans made under subsection (1). For  
24 the purposes specified in subsection (2), bonds issued pursuant  
25 to this section shall be approved by the department of treasury  
26 before their issuance, but shall not otherwise be subject to the  
27 provisions of the REVISED municipal finance act, ~~Act No. 202 of~~

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1 ~~the Public Acts of 1943, being sections 131.1 to 139.3 of the~~  
2 ~~Michigan Compiled Laws~~ 2001 PA 34, MCL 141.2101 TO 141.2821. In  
3 determining whether the issuance of the bonds shall be approved,  
4 the department of treasury shall take into consideration the  
5 following:

6 (a) Whether the bonds conform to the provisions of law.

7 (b) Whether the probable revenue and properties pledged for  
8 payment of the bonds will be sufficient to pay the principal of  
9 and interest on the bonds when due.

10 (c) Whether the amount of the proposed issue is sufficient  
11 or excessive for the purpose for which the bonds are to be  
12 issued.

13 (5) The loan revenue bonds shall not be general obligations  
14 of the city, village, township, or county issuing the loan reve-  
15 nue bonds. The loan revenue bonds are declared to be issued for  
16 an essential public and governmental purpose, and, together with  
17 interest on those bonds and income from those bonds, shall be  
18 exempted from all taxes.