

**HOUSE SUBSTITUTE FOR
SENATE BILL NO. 1178**

A bill to amend 1985 PA 227, entitled
"Shared credit rating act,"
by amending section 9 (MCL 141.1059), as amended by 1988 PA 316.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 9. (1) The authority may issue from time to time
2 authority bonds or notes in the principal amounts the authority
3 considers necessary to provide funds for any purposes including,
4 but not limited to, the making of loans; the payment, funding, or
5 refunding of the principal of, interest on, or redemption premi-
6 ums on bonds or notes issued by the authority whether the bonds
7 or notes or interest to be funded or refunded have or have not
8 become due; the establishment or increase of reserves to secure
9 or to pay authority bonds or notes or interest on those bonds or
10 notes; the payment of interest on the bonds or notes for a period
11 as the authority determines; the funding of a state match

SB1178, As Passed House, May 2, 2002

Senate Bill No. 1178

2

1 requirement for a capitalization grant or to reimburse an advance
2 for that state match requirement; and the payment of all other
3 costs or expenses of the authority incident to and necessary or
4 convenient to carry out its corporate purposes and powers.

5 (2) The bonds or notes of the authority shall not be a gen-
6 eral obligation of the authority but shall be payable solely from
7 the revenues or funds, or both, pledged to the payment of the
8 principal of and interest on the bonds or notes as provided in
9 the bond or note authorizing resolution. Authority bonds or
10 notes may be additionally secured by a pledge of any grant or
11 contributions from the United States, ~~the~~ THIS state, a govern-
12 mental unit, or any person, firm, or corporation, or by a pledge
13 of income or revenues, funds, or money of the authority from any
14 source whatsoever.

15 (3) Bonds or notes of the authority shall be authorized by
16 resolution of the authority and may be issued in 1 or more series
17 and shall bear the date or dates of issuance; mature at the time
18 or times not exceeding 50 years from the date of their issue;
19 provide sinking fund payments; bear interest at a fixed or vari-
20 able rate or rates of interest per annum or at no interest; be in
21 the denomination or denominations; be in the form, either coupon
22 or registered; carry the conversion or registration privileges;
23 have the rank or priority; be executed in the manner; be payable
24 from the sources in the medium of payment at the place or places
25 within or without ~~the~~ THIS state; and be subject to redemption
26 at the option of the authority or the holder and with the terms
27 and redemption premiums as the resolution provides.

SB1178, As Passed House, May 2, 2002

Senate Bill No. 1178

3

1 (4) If a member of the board, the executive director of the
2 authority, or an officer of the authority whose signature or fac-
3 simile ~~thereof~~ OF A SIGNATURE appears on a note, bond, or
4 coupon ceases to be a member, executive director, or officer
5 before the delivery of that note or bond, the signature shall,
6 nevertheless, be valid and sufficient for all purposes, the same
7 as if the member, executive director, or officer had remained in
8 office until the delivery.

9 (5) Bonds or notes of the authority may be sold at public or
10 private sale at the time or times, at the price or prices, and at
11 a discount as the authority determines. An authority bond or
12 note is not subject to the ~~municipal finance act, Act No. 202 of~~
13 ~~the Public Acts of 1943, being sections 131.1 to 139.3 of the~~
14 ~~Michigan Compiled Laws. The bond or note shall not require state~~
15 ~~treasurer approval under Act No. 202 of the Public Acts of 1943~~
16 REVISED MUNICIPAL FINANCE ACT, 2001 PA 34, MCL 141.2101 TO
17 141.2821.

18 (6) THE ISSUANCE OF BONDS AND NOTES UNDER THIS ACT IS
19 SUBJECT TO THE AGENCY FINANCING REPORTING ACT.

20 (7) FOR THE PURPOSE OF MORE EFFECTIVELY MANAGING ITS DEBT
21 SERVICE, THE AUTHORITY MAY ENTER INTO AN INTEREST RATE EXCHANGE
22 OR SWAP, HEDGE, OR SIMILAR AGREEMENT WITH RESPECT TO ITS BONDS OR
23 NOTES ON THE TERMS AND PAYABLE FROM THE SOURCES AND WITH THE
24 SECURITY, IF ANY, AS DETERMINED BY A RESOLUTION OF THE AUTHORITY.