

HOUSE SUBSTITUTE FOR
SENATE BILL NO. 1179

A bill to amend 1994 PA 451, entitled
"Natural resources and environmental protection act,"
by amending section 19603 (MCL 324.19603), as added by 1998
PA 288.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 19603. (1) The bonds shall be issued in 1 or more
2 series, each series to be in a principal amount, to be dated, to
3 have the maturities ~~which~~ THAT may be either serial, term, or
4 both, to bear interest at a rate or rates, to be subject or not
5 subject to prior redemption, and if subject to prior redemption
6 with or without call premiums, to be payable at a place or
7 places, to have or not have provisions for registration as to
8 principal only or as to both principal and interest, to be in a
9 form and to be executed in a manner as shall be determined by
10 resolution to be adopted by the state administrative board and

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1 subject to ~~or granting those~~ covenants, directions,
2 restrictions, or rights specified by resolution to be adopted by
3 the state administrative board as necessary to ensure the market-
4 ability, insurability, or tax exempt status of the bonds. The
5 state administrative board shall rotate the services of legal
6 counsel when issuing bonds.

7 (2) The state administrative board may refund bonds issued
8 under this part by the issuance of new bonds, whether or not the
9 bonds to be refunded have matured or are subject to prior
10 redemption. The state administrative board may issue bonds
11 partly to refund bonds issued under this part and partly for any
12 other purpose provided by this part. The principal amount of any
13 refunding bonds issued ~~pursuant to~~ UNDER this section shall not
14 be counted against the limitation on principal amount provided in
15 the clean Michigan initiative act, 1998 PA 284, MCL 324.95101 TO
16 324.95108. Further, refunding bonds issued ~~pursuant to~~ UNDER
17 this section are not subject to the restrictions of
18 section 19607.

19 (3) The state administrative board may approve insurance
20 contracts, agreements for lines of credit, letters of credit,
21 commitments to purchase bonds, and any other transaction to pro-
22 vide security to assure timely payment or purchase of any bond
23 issued under this part.

24 (4) The state administrative board may authorize the state
25 treasurer, but only within limitations contained in the authoriz-
26 ing resolution of the board, to do 1 or more of the following:

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1 (a) Sell and deliver and receive payment for the bonds.

2 (b) Deliver bonds partly to refund bonds and partly for
3 other authorized purposes.

4 (c) Select which outstanding bonds will be refunded, if any,
5 by the new issue of bonds.

6 (d) Buy issued bonds at not more than their face value.

7 (e) Approve interest rates or methods for fixing interest
8 rates, prices, discounts, maturities, principal amounts, purchase
9 prices, purchase dates, remarketing dates, denominations, dates
10 of issuance, interest payment dates, redemption rights at the
11 option of the state or the owner, the place and time of delivery
12 and payment, and other matters and procedures necessary to com-
13 plete the authorized transactions.

14 (f) Execute, deliver, and pay the cost of remarketing agree-
15 ments, insurance contracts, agreements for lines of credit, let-
16 ters of credit, commitments to purchase bonds or notes, and any
17 other transaction to provide security to assure timely payments
18 or purchase of any bond issued under this part.

19 (5) The bonds ~~shall be approved by the department of trea-~~
20 ~~sury before their issuance but are not otherwise subject to the~~
21 ~~municipal finance act, 1943 PA 202, MCL 131.1 to 139.3~~ ARE NOT
22 SUBJECT TO THE REVISED MUNICIPAL FINANCE ACT, 2001 PA 34,
23 MCL 141.2101 TO 141.2821.

24 (6) The bonds or any series of the bonds shall be sold at
25 ~~such~~ A price ~~and at a publicly advertised sale~~ as determined
26 by the state administrative board.

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1 (7) The bonds shall be sold in accordance with a schedule
2 established by the state administrative board.

3 (8) THE ISSUANCE OF BONDS UNDER THIS SECTION IS SUBJECT TO
4 THE AGENCY FINANCING REPORTING ACT.

5 (9) FOR THE PURPOSE OF MORE EFFECTIVELY MANAGING ITS DEBT
6 SERVICE, THE STATE ADMINISTRATIVE BOARD MAY ENTER INTO AN INTER-
7 EST RATE EXCHANGE OR SWAP, HEDGE, OR SIMILAR AGREEMENT WITH
8 RESPECT TO ITS BONDS OR NOTES ON THE TERMS AND PAYABLE FROM THE
9 SOURCES AND WITH THE SECURITY, IF ANY, AS DETERMINED BY A RESOLU-
10 TION OF THE STATE ADMINISTRATIVE BOARD.