

SUBSTITUTE FOR
SENATE BILL NO. 1078

A bill to amend 1978 PA 639, entitled
"Hertel-Law-T. Stopczynski port authority act,"
by amending sections 14 and 18 (MCL 120.114 and 120.118), as
amended by 1983 PA 23.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 14. (1) An authority may provide by resolution for the
2 issuance of revenue bonds of the authority for the purpose of
3 providing funds for paying the cost of port facilities, or for
4 paying the cost of an extension, enlargement, or improvement of a
5 project then under the control of the authority. ~~The bonds may~~
6 ~~be term bonds or serial bonds, or a combination thereof, and~~
7 ~~shall be issued, sold publicly or privately, and executed in a~~
8 ~~manner as may be determined by the authority.~~ The bonds issued
9 ~~pursuant to~~ UNDER this section ~~shall bear interest at the rate~~
10 ~~provided in the municipal finance act, Act No. 202 of the Public~~

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1 ~~Acts of 1943, as amended, being sections 131.1 to 139.3 of the~~
2 ~~Michigan Compiled Laws, payable semiannually, and shall mature~~
3 ~~at a time or times, not exceeding 40 years after their date of~~
4 ~~issuance, as the authority may provide. Unless an exception~~
5 ~~from prior approval is available pursuant to subsection (5), a~~
6 ~~bond issued under this act must first be approved by the munici-~~
7 ~~pal finance commission or its successor agency.~~

8 (2) ~~When the authority considers refunding expedient, the~~
9 ~~authority may refund bonds by the issuance of new bonds, whether~~
10 ~~the bonds to be refunded have or have not matured. The refunding~~
11 ~~bonds shall be sold and the proceeds applied to the purchase,~~
12 ~~redemption, or payment of the bonds to be refunded. The proceeds~~
13 ~~of the bonds of each series issued pursuant to this section shall~~
14 ~~be paid to a trustee under a trust agreement securing the bonds~~
15 ~~and shall be disbursed in a manner and under restrictions as may~~
16 ~~be provided in the trust agreement.~~ REVENUE BONDS ISSUED UNDER
17 THIS SECTION ARE SUBJECT TO THE REVENUE BOND ACT OF 1933, 1933
18 PA 94, MCL 141.101 TO 141.140.

19 (3) Revenue bonds issued pursuant to this section shall not
20 be considered to constitute a debt of ~~the~~ THIS state, ~~or~~ a
21 political subdivision of ~~the~~ THIS state, ~~or of~~ the authority,
22 or any constituent unit, or a pledge of the faith and credit of
23 ~~the~~ THIS state or a political subdivision of ~~the~~ THIS state
24 or of the authority or any constituent unit, but shall be payable
25 solely from the revenues or income to be derived from the
26 projects. The revenue bonds shall contain on their face a
27 statement to the effect that the bonds and attached coupons are

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1 payable solely from revenues and are not a general obligation of
2 ~~the~~ THIS state, a political subdivision of ~~the~~ THIS state,
3 the authority, or a constituent unit, and neither the faith and
4 credit nor the taxing power of ~~the~~ THIS state, a political sub-
5 division of ~~the~~ THIS state, the authority, or a constituent
6 unit, is pledged to the payment of the principal of or the inter-
7 est on the bonds.

8 ~~(4) This act shall be construed as authorizing the issuance~~
9 ~~of revenue bonds under this act without submitting the question~~
10 ~~of issuance to the voters of the constituent units of the~~
11 ~~authority. Except in the case of refunding bonds, the authority~~
12 ~~shall publish a notice of intent to issue bonds. The notice~~
13 ~~shall be directed to the electors of each of the constituent~~
14 ~~units of the authority, and shall be published in a newspaper~~
15 ~~which has general circulation in the territory of the authority,~~
16 ~~and shall state the maximum amount of bonds to be issued, the~~
17 ~~purpose of the bonds, source of payment, right of referendum on~~
18 ~~the bonds, and other information the authority determines neces-~~
19 ~~sary to adequately inform the electors of the nature of the~~
20 ~~issue. If, within 90 days after the publication of the notice a~~
21 ~~petition, signed by not less than 10% or 15,000 of the registered~~
22 ~~electors, whichever is less, residing within the limits of all of~~
23 ~~the constituent units of the authority, is filed with the clerk,~~
24 ~~or other recording officer, of the county where the authority is~~
25 ~~located, requesting a referendum upon the question of the issu-~~
26 ~~ance of the bonds, then the bonds shall not be issued until~~
27 ~~approved by the vote of a majority of the electors of all of the~~

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1 ~~constituent units of the authority taken as a whole and not~~
2 ~~individually qualified to vote and voting on the bonds at a gen-~~
3 ~~eral or special election. A special election called for this~~
4 ~~purpose shall not be included in statutory or charter limitation~~
5 ~~as to the number of special elections to be called within a~~
6 ~~period of time. Signatures on the petition shall be verified by~~
7 ~~a person under oath, as the actual signatures of the persons~~
8 ~~whose names are signed to the petition, and the clerk, or other~~
9 ~~recording officer, of the county where the authority is located~~
10 ~~shall have the same power to reject signatures and petitions as~~
11 ~~city clerks pursuant to section 25 of Act No. 279 of the Public~~
12 ~~Acts of 1909, as amended, being section 117.25 of the Michigan~~
13 ~~Compiled Laws. The number of registered electors in any constit-~~
14 ~~uent unit of the authority shall be determined by the township or~~
15 ~~city registration books, or both. Section 5 of Act No. 279 of~~
16 ~~the Public Acts of 1909, as amended, being section 117.5 of the~~
17 ~~Michigan Compiled Laws, relative to notice of intention to issue~~
18 ~~bonds, shall not apply to the authorization of the issuance of~~
19 ~~bonds under this act.~~

20 ~~(5) The requirement of subsection (1) for obtaining the~~
21 ~~prior approval of the municipal finance commission or its succes-~~
22 ~~sor agency before issuing bonds under this act shall be subject~~
23 ~~to sections 10 and 11 of chapter III of Act No. 202 of the Public~~
24 ~~Acts of 1943, being sections 133.10 and 133.11 of the Michigan~~
25 ~~Compiled Laws, and the department of treasury shall have the same~~
26 ~~authority as provided by section 11 of Act No. 202 of the Public~~
27 ~~Acts of 1943 to issue an order providing or denying an exception~~

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1 ~~from the prior approval required by subsection (1) for bonds~~
2 ~~authorized by this act.~~

3 Sec. 18. (1) In addition to the bonds authorized in section
4 14, bonds may be issued for the purpose of acquiring port facili-
5 ties, as follows:

6 (a) By the issuance of bonds in anticipation of payments to
7 become due under contracts by which 1 or more constituent units
8 agree to pay to an authority operating under this act certain
9 sums toward the cost of the acquisition, improvement, enlarge-
10 ment, or extension of a project ~~which~~ THAT may be made under
11 this act. CONTRACTS ARE NOT SUBJECT TO THE REVISED MUNICIPAL
12 FINANCE ACT, 2001 PA 34, MCL 141.2101 TO 141.2821.

13 (b) By money advanced by an authority operating under this
14 act under agreements with a constituent unit or other municipal-
15 ity for the repayment of the money.

16 (c) By money advanced, from time to time, before or during
17 construction of a project, by a public or private corporation,
18 firm, or individual, for which an authority operating under this
19 act shall reimburse the individual, firm, or corporation with
20 interest not to exceed 8% per annum or without interest as may be
21 agreed, when funds are available for reimbursement. The obliga-
22 tion of an authority to make the reimbursement may be evidenced
23 by a contract or note, which contract or note may be made payable
24 out of the payments to be made by constituent units under con-
25 tracts made pursuant to subdivision (b), or out of the proceeds
26 of bonds issued pursuant to this act by the county or out of any
27 other available funds. ~~but the contract or note shall not be~~

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1 ~~considered an obligation within the meaning of Act No. 202 of the~~
2 ~~Public Acts of 1943, as amended, being sections 131.1 to 139.3 of~~
3 ~~the Michigan Compiled Laws.~~

4 (2) Bonds issued under this section shall be authorized by a
5 resolution adopted by the authority. The bonds shall be issued
6 in the name of the authority and shall be executed by the chair-
7 person and secretary-treasurer of the authority, who shall also
8 cause their facsimile signatures to be affixed to the interest
9 coupons to be attached to the bonds. The authority shall adopt a
10 seal ~~which~~ THAT shall be affixed to the bonds. Bonds issued
11 under this section shall be negotiable instruments and shall ~~be~~
12 ~~serial bonds payable annually, with the first maturity due not~~
13 ~~more than 5 years and the last maturity~~ MATURE not more than 40
14 years after the date of issuance. ~~Annual maturity payable after~~
15 ~~5 years after the date of issuance of the bonds shall not be less~~
16 ~~than 1/5 of the amount of any subsequent maturity on the same~~
17 ~~series of bonds. The bonds shall bear interest at not more than~~
18 ~~the maximum rate permitted by Act No. 202 of the Public Acts of~~
19 ~~1943, as amended, payable semiannually, except that the first~~
20 ~~coupon may be for any number of months not exceeding 10.~~ The
21 bonds and coupons shall be made payable in lawful money of the
22 United States and shall be exempt from all taxation whatsoever by
23 ~~the~~ THIS state or by any taxing authority within ~~the~~ THIS
24 state. ~~The bonds may be sold at public or private sale. The~~
25 ~~bonds authorized in this section and section 14 shall not, except~~
26 ~~as to interest rate and as provided by section 14(5), be subject~~
27 ~~to Act No. 202 of the Public Acts of 1943, as amended.~~

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1 (3) BONDS OR NOTES ISSUED UNDER THIS SECTION ARE SUBJECT TO
2 THE REVISED MUNICIPAL FINANCE ACT, 2001 PA 34, MCL 141.2101 TO
3 141.2821.