

SENATE BILL No. 1171

March 5, 2002, Introduced by Senator SMITH and referred to the Committee on Finance.

A bill to amend 1982 PA 220, entitled "Michigan family farm development act," by amending section 13 (MCL 285.263), as amended by 1983 PA 68.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 13. (1) The authority may issue its negotiable bonds
2 and notes in a principal amount, which in the opinion of the
3 authority ~~shall be~~ IS necessary to provide sufficient funds for
4 achieving its corporate purposes, the payment of interest on
5 bonds and notes of the authority, the establishment of reserves
6 to secure bonds and notes, and all other expenditures of the
7 authority incident to and necessary or convenient to carry out
8 its corporate purposes and powers.

9 (2) The authority may issue renewal notes, issue bonds to
10 pay notes, and ~~when~~ IF it determines refunding expedient,
11 refund bonds by the issuance of new bonds, whether the bonds to

SENATE BILL No. 1171

1 be refunded have or have not matured, and issue bonds partly to
2 refund bonds then outstanding and partly for any other purpose.
3 The refunding bonds shall be sold and the proceeds applied to the
4 purchase, redemption, or payment of the bonds to be refunded.

5 (3) Except as may otherwise be expressly provided by the
6 authority, every issue of its notes or bonds shall be general
7 obligations of the authority payable out of revenues or money of
8 the authority, subject only to agreements with the holders of
9 particular notes or bonds pledging any particular receipts or
10 revenues.

11 (4) Whether or not the notes or bonds are of a form or char-
12 acter as to be negotiable instruments under the uniform commer-
13 cial code, 1962 PA 174, MCL 440.1101 TO 440.11102, the notes or
14 bonds shall be and are hereby made negotiable instruments within
15 the meaning of and for all the purposes of the uniform commercial
16 code, subject only to the provisions of the notes or bonds for
17 registration.

18 ~~(5) Unless an exception from prior approval is available~~
19 ~~pursuant to subsection (6), a bond or note issued by the author=~~
20 ~~ity shall be approved by the municipal finance commission or its~~
21 ~~successor agency but, except as provided by subsection (6), shall~~
22 ~~not otherwise be subject to the municipal finance act, Act~~
23 ~~No. 202 of the Public Acts of 1943, as amended, being sections~~
24 ~~131.1 to 139.3 of the Michigan Compiled Laws. BOND AND NOTES~~
25 ~~ISSUED UNDER THIS ACT ARE NOT SUBJECT TO THE REVISED MUNICIPAL~~
26 ~~FINANCE ACT, 2001 PA 34, MCL 141.2101 TO 141.2821.~~

1 (6) ~~The requirement of subsection (5) for obtaining the~~
2 ~~prior approval of the municipal finance commission or its~~
3 ~~successor agency before issuing bonds or notes under this act~~
4 ~~shall be subject to sections 10 and 11 of chapter III of Act~~
5 ~~No. 202 of the Public Acts of 1943, being sections 133.10 and~~
6 ~~133.11 of the Michigan Compiled Laws, and the department of trea-~~
7 ~~sury shall have the same authority as provided by section 11 of~~
8 ~~chapter III of Act No. 202 of the Public Acts of 1943 to issue an~~
9 ~~order providing or denying an exception from the prior approval~~
10 ~~required by subsection (5) for bonds or notes authorized by this~~
11 ~~act.~~ THE ISSUANCE OF BONDS AND NOTES UNDER THIS ACT IS SUBJECT
12 TO THE AGENCY FINANCING REPORTING ACT.