

SENATE BILL No. 1172

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

A bill to amend 1945 PA 47, entitled

"An act to authorize 2 or more cities, townships, and villages, or any combination of cities, townships, and villages, to incorporate a hospital authority for planning, promoting, acquiring, constructing, improving, enlarging, extending, owning, maintaining, and operating 1 or more community hospitals and related buildings or structures and related facilities; to provide for the sale, lease, or other transfer of a hospital owned by a hospital authority to a nonprofit corporation established under the laws of this state for no or nominal monetary consideration; to define hospitals and community hospitals; to provide for changes in the membership therein; to authorize the cities, townships, and villages to levy taxes for community hospital purposes; to provide for the issuance of bonds; to provide for the pledge of assessments; to provide for borrowing money for operation and maintenance and issuing notes for operation and maintenance; to validate elections heretofore held and notes heretofore issued; to validate bonds heretofore issued; to authorize condemnation proceedings; to grant certain powers of a body corporate; to validate and ratify the organization, existence, and membership of entities acting as hospital authorities under the act and the actions taken by hospital authorities and by the members of the hospital authorities; and to prescribe penalties and provide remedies, "

by amending sections 8 and 8a (MCL 331.8 and 331.8a), section 8a as amended by 1980 PA 104; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 8. The hospital authority board may issue
2 self-liquidating bonds of the authority in accordance with the
3 provisions of this act, for the purpose of acquiring, purchasing,
4 constructing, improving, enlarging, or repairing community hospi-
5 tals or refunding any outstanding bonds ~~theretofore~~ PREVIOUSLY
6 issued or for the joint purposes of refunding any outstanding
7 bonds together with the issuance of additional bonds for any of
8 the other purposes authorized. The bonds shall not impose any
9 liability upon the cities, villages, and townships included in
10 the hospital authority, other than on the amounts ~~which~~ THAT
11 are assessed against the respective municipalities as provided
12 for ~~herein~~ IN THIS ACT, which amounts or any portion ~~thereof~~
13 OF THOSE AMOUNTS may be pledged by the governing body of the hos-
14 pital authority for the payment of the bonds for a period not
15 exceeding 40 years. The amount ~~herein~~ required to be paid by
16 any municipality under this act shall be considered to be a part
17 of the revenues of the hospital authority and shall be first used
18 to meet the current requirements for the bond and interest
19 redemption fund, including the reserve requirements, ~~therefor,~~
20 for outstanding obligations of the hospital authority. The bonds
21 shall be sold for not less than par and shall bear interest at a
22 rate not in excess of the maximum rate permitted by ~~Act No. 202~~
23 ~~of the Public Acts of 1943, as amended, being sections 131.1 to~~
24 ~~138.2 of the Michigan Compiled Laws~~ THE REVISED MUNICIPAL
25 FINANCE ACT, 2001 PA 34, MCL 141.2101 TO 141.2821.

1 Sec. 8a. (1) The hospital board operating a community
2 hospital under this act may, by a resolution adopted by a
3 majority vote of the entire governing board, borrow money and
4 issue notes, which shall mature not more than 1 year from the
5 date of their issuance, for the purpose of meeting current
6 expenses of operation and maintenance of the hospital. The reso-
7 lution shall provide for the pledging of income and revenues of
8 the hospital authority for the payment of the notes, and shall
9 also provide for a special sinking fund into which there shall
10 first be paid, as collected, a sufficient sum from the revenues
11 of the hospital authority pledges ~~therefor~~ to retire both the
12 principal and interest of the notes at maturity. The resolution
13 may also provide for the pledging of other assets of the hospital
14 authority as additional security for the payment of the notes.
15 Notes issued under this section ~~shall~~ ARE not ~~be~~ subject to
16 ~~Act No. 202 of the Public Acts of 1943, as amended, being sec-~~
17 ~~tions 131.1 to 138.2 of the Michigan Compiled Laws~~ THE REVISED
18 MUNICIPAL FINANCE ACT, 2001 PA 34, MCL 141.2101 TO 141.2821. Any
19 notes issued by a hospital authority before the effective date of
20 this act or an amendment to this act are hereby validated, rati-
21 fied, and confirmed as though the notes and the proceedings
22 relating to their issuance had been fully authorized by statutes
23 existing at the time of their issuance.

24 (2) THE ISSUANCE OF BONDS AND NOTES UNDER THIS ACT IS
25 SUBJECT TO THE AGENCY FINANCING REPORTING ACT.

26 Enacting section 1. Section 8q of 1945 PA 47, MCL 331.8q,
27 is repealed.