

# SENATE BILL No. 856

November 29, 2001, Introduced by Senator YOUNG and referred to the Committee on Finance.

A bill to amend 1948 (1st Ex Sess) PA 31, entitled

"An act to provide for the incorporation of authorities to acquire, furnish, equip, own, improve, enlarge, operate, and maintain buildings, automobile parking lots or structures, recreational facilities, stadiums, and the necessary site or sites therefor, together with appurtenant properties and facilities necessary or convenient for the effective use thereof, for the use of any county, city, village, or township, or for the use of any combination of 2 or more counties, cities, villages, or townships, or for the use of any school district and any city, village, or township wholly or partially within the district's boundaries, or for the use of any school district and any combination of 2 or more cities, villages, or townships wholly or partially within the district's boundaries, or for the use of any intermediate school district and any constituent school district or any city, village, or township, wholly or partially within the intermediate school district's boundaries; to provide for compensation of authority commissioners; to permit transfers of property to authorities; to authorize the execution of contracts, leases, and subleases pertaining to authority property and the use of authority property; to authorize incorporating units to impose taxes without limitation as to rate or amount and to pledge their full faith and credit for the payment of contract of lease obligations in anticipation of which bonds are issued by an authority; to provide for the issuance of bonds by such authorities; to validate action taken and bonds issued; to provide other powers, rights, and duties of authorities and incorporating

units, including those for the disposal of authority property; and to prescribe penalties and provide remedies,"

by amending sections 11j and 11k (MCL 123.961j and 123.961k), section 11j as amended by 1983 PA 29 and section 11k as added by 1980 PA 74; and to repeal acts and parts of acts.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 11j. ~~Except as otherwise provided in this section,~~  
 2 ~~all~~ ALL bonds authorized under this act ~~shall be sold at public~~  
 3 ~~sale after notice by publication at least 7 days before the date~~  
 4 ~~of sale in a publication printed in the English language and cir-~~  
 5 ~~culated in this state, which carries as part of its regular serv-~~  
 6 ~~ice notices of sale of municipal bonds and which has been~~  
 7 ~~approved by the department of treasury as a publication complying~~  
 8 ~~with the qualifications in this act. If the bonds to be issued~~  
 9 ~~equal or exceed \$10,000,000.00 in amount; are to be issued pursu-~~  
 10 ~~ant to section 11k; or are to be issued to finance the completion~~  
 11 ~~of a facility originally financed by the sale of bonds under this~~  
 12 ~~act, the bonds may be sold at a public or negotiated sale. Bonds~~  
 13 ~~issued under this act shall not be sold at a price which would~~  
 14 ~~make the interest costs on the money borrowed, after deducting~~  
 15 ~~any premium or adding any discount, exceed the maximum rate per-~~  
 16 ~~mitted by Act No. 202 of the Public Acts of 1943, as amended,~~  
 17 ~~being sections 131.1 to 139.3 of the Michigan Compiled Laws, or~~  
 18 ~~sold at a discount exceeding 10% of the principal amount of the~~  
 19 ~~bonds.~~ ARE SUBJECT TO THE REVISED MUNICIPAL FINANCE ACT, 2001 PA  
 20 34, MCL 141.2101 TO 141.2821.

1       Sec. 11k. (1) An authority may issue bonds at any time to  
2 refund, in whole or in part, outstanding bonds issued ~~pursuant~~  
3 ~~to~~ UNDER this act, including the payment of interest accrued, or  
4 to accrue, to the earliest or any subsequent date of redemption,  
5 purchase, or maturity of the bonds, redemption premium, if any,  
6 and any commission, service fees, and other expenses necessary to  
7 be paid in connection with the bonds, whether the bonds to be  
8 refunded have matured or are redeemable or shall later mature or  
9 become redeemable. If considered advisable by the authority, the  
10 authority may issue bonds partly to refund outstanding bonds and  
11 partly for any other purpose contemplated by sections 11 and  
12 11a. Bonds issued to refund outstanding bonds may be issued in a  
13 principal amount, and may bear an interest rate, that is greater  
14 than, the same as, or lower than the principal amount and inter-  
15 est rate of the bonds to be refunded. However, an interest rate  
16 shall not exceed the maximum rate of interest permitted ~~by Act~~  
17 ~~No. 202 of the Public Acts of 1943, as amended~~ UNDER THE REVISED  
18 MUNICIPAL FINANCE ACT, 2001 PA 34, MCL 141.2101 TO 141.2821.

19       (2) The principal of, and interest and redemption premiums,  
20 if any, on bonds issued pursuant to this section shall be payable  
21 from 1 or more of the following:

22       (a) The revenues derived from the facilities constructed,  
23 acquired, reconstructed, remodeled, or repaired with the proceeds  
24 of the bonds to be refunded, and revenues derived from other  
25 facilities, that are owned by the authority and leased to the  
26 incorporating unit or units as determined by the authority. As  
27 used in this subdivision, "revenues" includes rental amounts

1 required under a contract of lease between the authority and the  
2 incorporating unit or units.

3 (b) The proceeds of the refunding bonds.

4 (c) Investment earnings on the proceeds of the refunding  
5 bonds.

6 (d) Any other sources provided in the resolution or ordi-  
7 nance authorizing the refunding bonds.

8 (3) The bonds to be refunded pursuant to this section may be  
9 paid at the earliest or any subsequent date of redemption, or at  
10 maturity of the bonds.

11 Enacting section 1. Sections 11c and 11i of 1948 (1st  
12 Ex Sess) PA 31, MCL 123.961c and 123.961i, are repealed.