

SENATE BILL No. 857

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

A bill to amend 1994 PA 425, entitled

"An act to provide for the creation of community swimming pool authorities; to provide powers and duties of the authorities; to provide for the levy of a tax by the authorities; and to provide for the collection and distribution of the tax,"

by amending sections 9 and 11 (MCL 123.1069 and 123.1071).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 9. (1) An authority has all the powers necessary to
2 own or operate a community swimming pool, including, but not
3 limited to, the following:

4 (a) Acquire and hold, by purchase, lease with or without
5 option to purchase, grant, gift, devise, land contract, install-
6 ment purchase contract, bequest, or other legal means, real and
7 personal property inside or outside the boundaries of the
8 district. The property may include franchises, easements, or
9 rights of way on, under, or above any property. The authority

1 may pay for the property from, or pledge for the payment of the
2 property, revenue of the authority.

3 (b) Apply for and accept grants or contributions from indi-
4 viduals, the federal government or any of its agencies, this
5 state, a municipality, or other public or private agencies to be
6 used for any of the purposes of this act.

7 (c) Retain full-time or part-time employees.

8 (d) Provide for the maintenance of all of the real and per-
9 sonal property of the authority.

10 (e) Assess and collect fees for its services and expenses.

11 (f) Levy the tax described in section 13 and distribute the
12 proceeds of the tax.

13 (g) Enter into contracts incidental to or necessary for the
14 operation of a community swimming pool.

15 (h) Subject to the limitations in section 11, borrow money
16 and issue notes under the ~~municipal finance act, Act No. 202 of~~
17 ~~the Public Acts of 1943, being sections 131.1 to 139.3 of the~~
18 ~~Michigan Compiled Laws~~ REVISED MUNICIPAL FINANCE ACT, 2001 PA
19 34, MCL 141.2101 TO 141.2821, in anticipation of collection of
20 the tax authorized in section 13.

21 (i) Subject to the limitations in section 11, issue negotia-
22 ble revenue bonds under the revenue bond act of 1933, ~~Act No. 94~~
23 ~~of the Public Acts of 1933, being sections 141.101 to 141.140 of~~
24 ~~the Michigan Compiled Laws~~ 1933 PA 94, MCL 141.101 TO 141.140.
25 Revenue bonds issued by the authority are not a debt of the dis-
26 trict or this state. A participating municipality may by

1 majority vote pledge its full faith and credit to support the
2 authority's revenue bonds.

3 (j) Subject to the limitations in section 11, issue general
4 obligation unlimited tax bonds and authorize and levy taxes nec-
5 essary to pay the principal of and interest on the bonds.

6 (k) Subject to the limitations in section 11, issue general
7 obligation limited tax bonds by resolution of the board, without
8 submitting the question to the electors of the participating
9 municipalities. The board shall not authorize or levy a tax to
10 pay the principal of or interest on the general obligation
11 limited tax bonds that exceeds the tax levy authorized by a vote
12 of the qualified electors of the district as provided in section
13 13.

14 (2) Money for an authority shall be paid to the board and
15 deposited in a fund known as the community swimming pool fund.
16 The board shall exclusively control the expenditure of money
17 deposited in the community swimming pool fund.

18 Sec. 11. (1) An authority shall not borrow money or issue
19 bonds or notes for a sum that, together with the total outstand-
20 ing bonded indebtedness of the authority, exceeds 5% of the state
21 equalized valuation of the taxable property within the geograph-
22 ical boundaries of the authority.

23 (2) An authority shall not issue general obligation unlim-
24 ited tax bonds unless all of the following conditions are met:

25 (a) The board adopts a resolution submitting the question of
26 issuing general obligation unlimited tax bonds to the electors of

1 the participating municipalities residing within the geographical
2 boundaries of the authority.

3 (b) The question of issuing general obligation unlimited tax
4 bonds is certified by the board and the election is conducted in
5 the manner provided in section 13 for an election for a tax.

6 (c) A majority of the qualified electors voting on the ques-
7 tion approve the issuing of the general obligation unlimited tax
8 bonds.

9 (3) The question of issuing general obligation unlimited tax
10 bonds under subsection (2) shall be submitted by ballot in sub-
11 stantially the following term:

12

13 "Shall the community swimming pool authority,
14 formed by the municipalities of _____,
15 borrow the sum of not to exceed _____
16 dollars (\$ _____) and issue its
17 general obligation unlimited tax bonds for all
18 or a portion of that amount for the purpose of
19 _____?

20 Yes [] No []".

21 (4) Refunding bonds or the refunding part of a bond issue is
22 not within the 5% limitation of subsection (1), but is authorized
23 in addition to the 5% limitation.

24 ~~-(5) An authority may borrow money and issue bonds or notes~~
25 ~~for refunding all or part of existing bonded or note indebtedness~~
26 ~~only if the net present value of the principal and interest to be~~
27 ~~paid on the refunding bonds or notes, excluding the cost of~~

~~1 issuance, will be less than the net present value of the
2 principal and interest to be paid on the bonds or notes being
3 refunded, as calculated using a method approved by the department
4 of treasury.~~

~~5 (6) Bonds or notes shall not, in whole or in part, appreci=
6 ate in principal amount or be sold at a discount of more than
7 10%.~~