

SENATE BILL No. 965

December 13, 2001, Introduced by Senator EMMONS and referred to the Committee on Finance.

A bill to amend 1933 PA 94, entitled
"The revenue bond act of 1933,"
by amending sections 3, 12, 16, 22, 24, 26, 27, 28, and 30 (MCL
141.103, 141.112, 141.116, 141.122, 141.124, 141.126, 141.127,
141.128, and 141.130), section 3 as amended by 1992 PA 305, sec-
tions 12 and 27 as amended by 1985 PA 26, sections 16, 28, and 30
as amended by 1983 PA 76, and section 24 as amended by 1988 PA
228.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 3. As used in this act:

2 (a) "Public corporation" means a county, city, village,
3 township, school district, port district, or metropolitan dis-
4 trict of the state or a combination ~~thereof~~ OF THESE if
5 authorized by law to act jointly; an authority created by or
6 under an act of the legislature; or a municipal health facilities

1 corporation or subsidiary municipal health facilities corporation
2 incorporated as provided in the municipal health facilities cor-
3 porations act, ~~Act No. 230 of the Public Acts of 1987, being~~
4 ~~sections 331.1101 to 331.1507 of the Michigan Compiled Laws~~ 1987
5 PA 230, MCL 331.1101 TO 331.1507.

6 (b) "Public improvements" means only the following
7 improvements: housing facilities; garbage disposal plants; rub-
8 bish disposal plants; incinerators; transportation systems,
9 including plants, works, instrumentalities, and properties used
10 or useful in connection with those systems; sewage disposal sys-
11 tems, including sanitary sewers, combined sanitary and storm
12 sewers, plants, works, instrumentalities, and properties used or
13 useful in connection with the collection, treatment, or disposal
14 of sewage or industrial wastes; storm water systems, including
15 storm sewers, plants, works, instrumentalities, and properties
16 used or useful in connection with the collection, treatment, or
17 disposal of storm water; water supply systems, including plants,
18 works, instrumentalities, and properties used or useful in con-
19 nection with obtaining a water supply, the treatment of water, or
20 the distribution of water; utility systems for supplying light,
21 heat, or power, including plants, works, instrumentalities, and
22 properties used or useful in connection with those systems;
23 approved cable television systems, approved cable communication
24 systems, or telephone systems, including plants, works, instru-
25 mentalities, and properties used or useful in connection with
26 those systems; automobile parking facilities, including within or
27 as part of the facilities areas or buildings that may be rented

1 or leased to private enterprises serving the public; yacht
2 basins; harbors; docks; wharves; terminal facilities; elevated
3 highways; bridges over, tunnels under, and ferries across bodies
4 of water; community buildings; public wholesale markets for farm
5 and food products; stadiums; convention halls; auditoriums; dor-
6 mitories; hospitals and other health care facilities; buildings
7 devoted to public use; museums; parks; recreational facilities;
8 reforestation projects; aeronautical facilities; and marine rail-
9 ways; or any right or interest in or equipment for these
10 improvements. The term "public improvement" means the whole or a
11 part of any of these improvements or of any combination of these
12 improvements or any interest or participation in these improve-
13 ments, as determined by the governing body. The definition con-
14 tained in this subdivision does not broaden or enlarge the extent
15 of a particular public improvement made by a public corporation.

16 (c) "Borrower" means a public corporation exercising the
17 power to issue bonds as provided in this act.

18 (d) "Governing body" means for a county, the board of com-
19 missioners; for a city, the body having legislative powers; for a
20 village, the body having legislative powers; for a township, the
21 township board; for a school district, the board of education;
22 for a port district, the port commission; for a metropolitan dis-
23 trict, the legislative body of the district; for a municipal
24 health facilities corporation, the board of trustees; for a non-
25 profit subsidiary municipal health facilities corporation, the
26 nonprofit subsidiary board; and for an authority, the body in
27 which is lodged general governing powers. If the charter of a

1 public corporation or applicable law provides that a separate
2 board has general management over a public improvement,
3 "governing body" means, with respect to that public improvement,
4 the separate board, subject to review by the legislative body of
5 the public corporation as the charter or law may provide. Unless
6 the charter or law specifically provides otherwise, the separate
7 board shall adopt the bond authorizing ordinance, but shall not
8 pledge full faith and credit.

9 (e) "Rates" means the charges, fees, rentals, and rates that
10 may be fixed and imposed for the services, facilities, and com-
11 modities furnished by a public improvement.

12 (f) "Revenues" means the income derived from the rates
13 charged for the services, facilities, and commodities furnished
14 by a public improvement. Revenues include, to the extent pro-
15 vided in the authorizing ordinance, earnings on investment of
16 funds of the public improvement and other revenues derived from
17 or pledged to operation of the public improvement.

18 (g) "Net revenues" means the revenues of a public improve-
19 ment remaining after deducting the reasonable expenses of admin-
20 istration, operation, and maintenance of the public improvement.

21 (h) "Project cost" or "costs" means the costs of purchasing,
22 acquiring, constructing, improving, enlarging, extending, or
23 repairing a public improvement, including any engineering, archi-
24 tectural, legal, accounting, financial, and other expenses inci-
25 dent to the public improvement. Project costs include interest
26 on the bonds, and other obligations of the borrower issued to pay
27 project costs, during the period of construction and until full

1 revenues are developed. Project costs include a reserve or
2 addition to a reserve for payment of principal and interest on
3 the bonds and the amount required for operation and maintenance
4 until sufficient revenues have developed.

5 (i) "Ordinance" means an ordinance, resolution, or other
6 appropriate legislative enactment of the governing body of a
7 public corporation.

8 ~~(j) "Municipal finance commission" means the commission~~
9 ~~created by the municipal finance act, Act No. 202 of the Public~~
10 ~~Acts of 1943, as amended, being sections 131.1 to 139.3 of the~~
11 ~~Michigan Compiled Laws.~~

12 (J) ~~(k)~~ "Approved cable television system" or "approved
13 cable communication system" means a cable television or communi-
14 cation system to which 1 of the following applies:

15 (i) A municipality acquires or establishes the system either
16 before January 1, 1987 or before a system is established in that
17 municipality by a private person.

18 (ii) A municipality acquires or establishes the system after
19 a system is established in that municipality by a private person
20 and after approval by a majority of the electors in the affected
21 area of that municipality voting on the question of the sale of
22 revenue bonds to finance the acquisition or establishment of the
23 municipal system.

24 Sec. 12. (1) Bonds issued under this act may be sold at a
25 discount but may not be sold at a price ~~which~~ THAT would make
26 the interest cost on the money borrowed after deducting any
27 premium or adding any discount exceed 10% per annum or the

1 maximum rate permitted by the REVISED municipal finance act, ~~Act~~
2 ~~No. 202 of the Public Acts of 1943, as amended, being sections~~
3 ~~131.1 to 139.3 of the Michigan Compiled Laws, 2001 PA 34, MCL~~
4 ~~141.2101 TO 141.2821, whichever is greater, and may bear a stated~~
5 ~~rate of interest or no rate of interest.~~

6 ~~(2) Except as otherwise provided in this act, bonds of an~~
7 ~~authorized issue of \$50,000.00 or more shall not be sold except~~
8 ~~at public sale, after notice by publication at least 14 days~~
9 ~~before the sale in a publication printed in the English language~~
10 ~~and circulated in this state, which carries as a part of its reg-~~
11 ~~ular service notices of the sale of municipal bonds and which has~~
12 ~~been approved by the department of treasury as a publication com-~~
13 ~~plying with the foregoing qualifications. Approval of the publi-~~
14 ~~cation by the department of treasury shall be considered conclu-~~
15 ~~sive of the qualifications of the publication for the insertion~~
16 ~~of the notice.~~

17 ~~(3) If the public corporation receives a bid at the time~~
18 ~~fixed for public sale, and the bid is rejected by the governing~~
19 ~~body, the bonds may be sold at negotiated sale within 60 days~~
20 ~~after the time fixed for the public sale at a price not less than~~
21 ~~the highest bid received at the public offering. If the public~~
22 ~~corporation offers the bonds at a public offering and does not~~
23 ~~receive a bid, the bonds may be sold at negotiated sale within 60~~
24 ~~days after the last public offering. During any period in which~~
25 ~~the bonds may be sold at negotiated sale, the governing body of~~
26 ~~the public corporation may enter into an agreement for the~~

~~1 delivery of the bonds in payment of the cost of the particular
2 project for which the bonds are to be issued.~~

~~3 (4) Bonds may be sold to the federal or state government or
4 an agency of the federal or state government at a negotiated
5 sale. If the contract is for the sale of less than all of the
6 bonds authorized, a part shall not be delivered until the balance
7 of the bonds authorized has been sold in the manner provided in
8 this section.~~

~~9 (5) If the amount of bonds to be issued exceeds
10 \$15,000,000.00 or if the bonds are to be issued in whole or in
11 part for refunding purposes pursuant to section 20, the bonds may
12 be sold at a public or negotiated sale.~~

~~13 (6) Bonds which are payable prior to maturity at the option
14 of the holder of the bonds may be sold at a negotiated sale.~~

~~15 (7) Bonds sold to the Michigan municipal bond authority cre=
16 ated under the shared credit rating act may be sold at a negoti=
17 ated sale if so determined by the governing body.~~

18 (2) A PUBLIC CORPORATION MAY SELL BONDS AT A COMPETITIVE
19 SALE OR A NEGOTIATED SALE AS DETERMINED IN THE AUTHORIZING
20 ORDINANCE. IF A PUBLIC CORPORATION DETERMINES TO SELL A BOND AT
21 A NEGOTIATED SALE, THE GOVERNING BODY SHALL EXPRESSLY STATE THE
22 METHOD AND REASONS FOR CHOOSING A NEGOTIATED SALE INSTEAD OF A
23 COMPETITIVE SALE IN THE RESOLUTION OR ORDINANCE AUTHORIZING THE
24 ISSUANCE OR SALE OF THE BONDS.

25 (3) BONDS SOLD AT PUBLIC SALE SHALL NOT BE SOLD UNTIL NOTICE
26 BY PUBLICATION AT LEAST 7 DAYS BEFORE THE SALE IN A PUBLICATION
27 PRINTED IN THE ENGLISH LANGUAGE AND CIRCULATED IN THIS STATE THAT

1 CARRIES AS A PART OF ITS REGULAR SERVICE NOTICES OF THE SALE OF
2 MUNICIPAL BONDS AND THAT HAS BEEN APPROVED BY THE DEPARTMENT OF
3 TREASURY AS A PUBLICATION COMPLYING WITH THESE QUALIFICATIONS.
4 APPROVAL OF THE PUBLICATION BY THE DEPARTMENT OF TREASURY IS CON-
5 CLUSIVE OF THE QUALIFICATIONS OF THE PUBLICATION FOR THE INSER-
6 TION OF THE NOTICE.

7 Sec. 16. Money received from the sale of bonds shall be
8 used solely for the payment of project costs. An unexpended bal-
9 ance of the proceeds of the sale of any bonds remaining after the
10 completion of the project for which issued, may be used for the
11 improvement, enlargement, or extension of the public improvement,
12 if the use is approved by the department of treasury. Any
13 remaining balance shall be paid immediately into the bond and
14 interest redemption ~~fund~~ ACCOUNT for the bonds, and the money
15 shall be used only for meeting bond reserve requirements or for
16 the redemption or purchase, at not more than the fair market
17 value, of outstanding bonds of the issue from which the proceeds
18 were derived. Bonds acquired by purchase shall be canceled and
19 shall not be reissued. Each ordinance shall state the period for
20 which interest is to be capitalized, and the amount of reserves
21 to be funded from the bonds. Upon receipt of the proceeds of the
22 bonds, there shall be set aside, in the bond and interest redemp-
23 tion ~~fund~~ ACCOUNT, the amount of interest ~~which~~ THAT will
24 accrue during the period at the interest rate specified in the
25 bonds and the amount required to be ~~deposited~~ SET ASIDE in the
26 reserve account. Money set aside shall be used solely for the

1 payment of the capitalized interest or credited to the reserve
2 account.

3 Sec. 22. (1) In the authorizing ordinance the governing
4 body of the borrower shall ~~pledge~~ PROVIDE THAT the revenues of
5 the public improvement ~~for the purposes of the following funds~~
6 ~~and shall provide that such revenues as collected shall be set~~
7 ~~aside in a receiving fund and transferred periodically as pro-~~
8 ~~vided in such ordinance into separate and special funds as~~
9 ~~follows~~ BE ACCOUNTED FOR SEPARATELY FROM THE OTHER FUNDS AND
10 ACCOUNTS OF THE BORROWER IN THE FOLLOWING ORDER OF RECORDED
11 PRIORITY:

12 (a) ~~Out of the revenues in the receiving fund there shall~~
13 ~~be first set aside a sum sufficient to provide~~ AFTER PROVISION
14 for the payment for the next succeeding period of all current
15 expenses of administration ~~—~~ AND operation ~~—~~ and ~~such~~ THE
16 current expenses for ~~such~~ THAT period for maintenance as may be
17 necessary to preserve the public improvement in good repair and
18 working order. ~~This fund shall be designated "operation and~~
19 ~~maintenance fund."~~

20 (b) ~~Out of the remaining revenues in the receiving fund~~
21 ~~there~~ THERE shall be next set aside a sum sufficient to provide
22 for the payment of the principal of and the interest upon all
23 bonds payable ~~therefrom~~ FROM THOSE REVENUES, as and when the
24 ~~same~~ BONDS become due and payable. This ~~fund~~ ACCOUNT shall
25 be designated "bond and interest redemption ~~fund."~~ ACCOUNT".
26 In the event that the revenues of any operating year over and
27 above those necessary for the operation and maintenance ~~fund,~~

1 EXPENSES shall be insufficient to pay the principal of and
2 interest on the bonds maturing in any ~~such~~ operating year, then
3 an additional amount sufficient to pay ~~such~~ THE principal and
4 interest shall be set aside out of the revenues of the next suc-
5 ceeding operating year, after ~~the setting aside of the operation~~
6 ~~and maintenance fund~~ PROVISION FOR THE EXPENSES OF OPERATION AND
7 MAINTENANCE. In respect to the allocation and use of ~~moneys~~
8 MONEY in ~~said~~ THE bond and interest redemption ~~fund~~ ACCOUNT,
9 due recognition shall be given as to priority rights, if any,
10 between different issues or series of outstanding bonds. The
11 public corporation may provide by ordinance that a reasonable
12 excess amount shall be set aside in the bond and interest redemp-
13 tion ~~fund~~ ACCOUNT from time to time so as ~~thereby~~ to produce
14 and provide a reserve to meet any possible future deficiencies.
15 ~~therein.~~

16 (c) ~~Out of the remaining revenues in the receiving fund~~
17 NEXT there shall be ~~next~~ set aside, in the manner and priority
18 provided by the ordinance, the sum or sums necessary for ~~such~~
19 THE additional ~~funds for the public improvement as the ordinance~~
20 ~~may establish~~ ACCOUNTS AS MAY BE REQUIRED.

21 (2) Revenues remaining in the receiving fund, after satis-
22 faction of ~~the above~~ SUBSECTION (1), at the end of any operat-
23 ing year shall be ~~deemed to be~~ CONSIDERED surplus and shall be
24 disposed of by the governing body as ~~hereinafter~~ provided IN
25 THIS ACT.

26 Sec. 24. (1) Money in the several ~~funds~~ ACCOUNTS of the
27 public improvement shall be deposited ~~with 1 or more banks,~~

1 ~~savings and loan associations, or credit unions~~ AS designated by
2 the governing body of the borrower. ~~Money in the bond and~~
3 ~~interest redemption fund, including reserve money, shall be kept~~
4 ~~on deposit with the bank, trust company, savings and loan associ=~~
5 ~~ation, or credit union or with 1 of the banks, trust companies,~~
6 ~~savings and loan associations, and credit unions, at which the~~
7 ~~principal and interest on the bonds are currently payable. The~~
8 ~~governing body of the borrower in the authorizing ordinance may~~
9 ~~provide that money~~ MONEY in the several ~~funds~~ ACCOUNTS of the
10 public improvement, except money in the bond and interest redemp-
11 tion ~~fund~~ ACCOUNT and money derived from the proceeds of sale
12 of the bonds, may be kept in 1 DEPOSIT account. ~~at a bank, sav=~~
13 ~~ings and loan association, or credit union.~~ In that case the
14 money in the ~~account~~ COMBINED DEPOSIT ACCOUNTS shall be allo-
15 cated on the books and records of the borrower to the ~~funds~~
16 VARIOUS ACCOUNTS in the manner provided in the authorizing
17 ordinance. The governing body of the borrower may provide that
18 the money in the several ~~funds~~ ACCOUNTS of the public improve-
19 ment may be kept in separate depository accounts. The money in
20 the bond and interest redemption ~~fund~~ ACCOUNT shall be ~~kept in~~
21 ~~a separate depository account~~ ACCOUNTED FOR SEPARATELY.

22 (2) Subject to the limitations and conditions provided in
23 the authorizing ordinance, money in the several ~~funds~~ ACCOUNTS
24 of the public improvement may be invested in ~~1 or more of the~~
25 ~~following:~~ ACCORDANCE WITH THE PUBLIC CORPORATION'S INVESTMENT
26 POLICY ADOPTED BY THE LEGISLATIVE BODY OR GOVERNING BODY OF THE
27 PUBLIC CORPORATION UNDER 1943 PA 20, MCL 129.91 TO 129.96.

~~(a) United States government obligations.~~

~~(b) Obligations the principal and interest on which is fully
guaranteed by the United States.~~

~~(c) Repurchase agreements that are secured by United States
government obligations or obligations fully guaranteed by the
United States and that are held by an independent third party.~~

~~(d) Certificates of deposit or other accounts of, or bankers
acceptances of, 1 or more of the following:~~

~~(i) Banks that are members of the federal deposit insurance
corporation.~~

~~(ii) Savings and loan associations that are members of the
federal savings and loan insurance corporation.~~

~~(iii) Credit unions whose accounts are insured by the
national credit union share insurance fund.~~

~~(e) Commercial paper that is rated in the highest category
by a nationally recognized rating agency.~~

~~(f) Obligations of a state of the United States or of a
political subdivision of a state of the United States that are
rated in 1 of the 3 highest categories by a nationally recognized
rating agency.~~

~~(g) A collective investment fund that invests solely in 1 or
more of the securities authorized for investment by this
subsection.~~

~~(3) Investment of money in the bond and interest redemption
fund being accumulated for payment of the next maturing principal
or interest on the bonds is limited to 1 or more of the
following:~~

1 ~~(a) United States government obligations, or obligations the~~
2 ~~principal and interest of which are fully guaranteed by the~~
3 ~~United States, that mature not later than 10 days after the date~~
4 ~~for payment of the maturing principal or interest for which the~~
5 ~~money is being accumulated.~~

6 ~~(b) Repurchase agreements that are to settle on or before~~
7 ~~the date set for payment and that are secured by United States~~
8 ~~government obligations or obligations fully guaranteed by the~~
9 ~~United States and that are held by an independent third party.~~

10 ~~(4) The securities representing an investment under this~~
11 ~~section shall be kept on deposit with the bank, trust company,~~
12 ~~savings and loan association, or credit union having the deposit~~
13 ~~of the funds from which the purchase was made. The date of pay-~~
14 ~~ment of the next maturing principal or interest on bonds that are~~
15 ~~additionally secured pursuant to section 7a(1)(a) for purposes of~~
16 ~~investing the money in the bond and interest redemption fund~~
17 ~~shall be the date principal or interest is scheduled to be paid~~
18 ~~on those bonds as stated on the face of the bonds notwithstanding~~
19 ~~a provision of the bonds that may call for payment prior to~~
20 ~~maturity. Investment earnings shall be credited to the fund to~~
21 ~~which the investment belongs unless otherwise provided in the~~
22 ~~authorizing ordinance.~~

23 Sec. 26. Any ~~moneys~~ MONEY remaining in the ~~receiving~~
24 ~~fund~~ ACCOUNTS OF THE PUBLIC IMPROVEMENT at the end of any oper-
25 ating year, which under the provisions of section 22 shall be
26 ~~deemed to be~~ CONSIDERED surplus, may be transferred to other
27 ~~funds~~ ACCOUNTS of the public improvement or may be used for

1 ~~such~~ THE purpose or purposes as the governing body may
2 determine to be for the best interests of the borrower, unless
3 some other disposition shall have been made ~~therefor~~ in the
4 ordinance authorizing the issuance of bonds ~~hereunder~~ UNDER
5 THIS ACT. In the event that ~~moneys in the receiving fund are~~
6 MONEY OF THE PUBLIC IMPROVEMENT IS insufficient to provide for
7 the current ~~requirements~~ EXPENSES of the operation and mainte-
8 nance ~~fund~~ ACCOUNT or the bond and interest redemption ~~fund~~
9 ACCOUNT, any ~~moneys and/or~~ MONEY OR securities in other ~~funds~~
10 ACCOUNTS of the public improvement shall be transferred first to
11 the operation and maintenance ~~fund~~ ACCOUNT and second to the
12 bond and interest redemption ~~fund~~ ACCOUNT to the extent of any
13 deficits ~~therein~~ IN THOSE ACCOUNTS.

14 Sec. 27. ~~(1) Unless an exception from prior approval is~~
15 ~~available pursuant to subsection (3), before a public corporation~~
16 ~~issues bonds under this act, it shall make a sworn application to~~
17 ~~the department of treasury, on forms to be furnished by the~~
18 ~~department of treasury, for permission to issue the bonds and~~
19 ~~shall attach to the application a certified copy of the ordinance~~
20 ~~or ordinances authorizing the issuance of the bonds and, except~~
21 ~~in case of refunding bonds, a certified copy of the estimate of~~
22 ~~the cost of the project for which the bonds are to be issued.~~
23 ~~The department of treasury may request the applicant to furnish~~
24 ~~the information the department of treasury considers desirable in~~
25 ~~order to pass upon the application. Unless an exception from~~
26 ~~prior approval is available pursuant to subsection (3), a bond~~
27 ~~shall not be issued under this act until the borrower has first~~

~~1 secured the approval of the department of treasury for that~~
~~2 issuance. In determining whether a proposed issue of bonds shall~~
~~3 be approved, the department of treasury shall take all of the~~
~~4 following into consideration:~~ A PUBLIC CORPORATION MAY ISSUE
5 BONDS UNDER THIS ACT, ONLY IF THAT PUBLIC CORPORATION IS A MUNIC-
6 IPALITY QUALIFIED OR APPROVED TO ISSUE OBLIGATIONS UNDER THE
7 REVISED MUNICIPAL FINANCE ACT, 2001 PA 34, MCL 141.2101 TO
8 141.2821.

9 ~~(a) Whether the bonds conform to the provisions of this~~
10 ~~act.~~

11 ~~(b) Whether the probable revenues pledged to the payment of~~
12 ~~the bonds will be sufficient to pay the principal of and interest~~
13 ~~on the bonds when due.~~

14 ~~(c) Whether the amount of the proposed issue is sufficient~~
15 ~~or excessive for the purpose for which the bonds are to be~~
16 ~~issued.~~

17 ~~(2) The provisions of chapter II of the municipal finance~~
18 ~~act, Act No. 202 of the Public Acts of 1943, being sections 132.1~~
19 ~~to 132.3 of the Michigan Compiled Laws, relating to the depart-~~
20 ~~ment of treasury, its powers and duties, and its orders, shall~~
21 ~~govern insofar as those provisions may be applicable, in respect~~
22 ~~to the various matters covered by this section.~~

23 ~~(3) The requirement of subsection (1) for obtaining the~~
24 ~~prior approval of the department of treasury before issuing bonds~~
25 ~~under this act, except for bonds issued in whole or in part for~~
26 ~~refunding purposes under section 20 or an obligation of a public~~
27 ~~corporation to a provider of additional security under section~~

~~1 7a(1)(a) which secures a bond which may be tendered before
2 maturity at the option of the holder, shall be subject to sec=
3 tions 10 and 11 of chapter III of the municipal finance act, Act
4 No. 202 of the Public Acts of 1943, being sections 133.10 and
5 133.11 of the Michigan Compiled Laws. The department of treasury
6 has the same authority as provided by section 11 of chapter III
7 of Act No. 202 of the Public Acts of 1943 to issue an order pro=
8 viding or denying an exception from the prior approval required
9 by subsection (1) for bonds authorized by this act.~~

10 Sec. 28. ~~No order of the municipal finance commission or
11 its successor agency permitting~~ QUALIFICATION OR APPROVAL TO
12 ISSUE OBLIGATIONS UNDER THE REVISED MUNICIPAL FINANCE ACT, 2001
13 PA 34, MCL 141.2101 TO 141.2821, THAT PERMITS the issuance of
14 bonds under this act shall NOT be ~~deemed~~ CONSIDERED an approval
15 of the legality ~~thereof~~ OF ISSUING BONDS UNDER THIS ACT. ~~The
16 issuance of the commission's or its successor agency's order
17 granting permission to issue any bonds shall imply that the com=
18 mission or its successor agency has made such determination of
19 facts or circumstances, has given such approvals, and has reached
20 such opinions as are a necessary prerequisite to the issuance of
21 such order.~~

22 Sec. 30. Any borrower issuing revenue bonds under this act
23 shall install, maintain, and keep proper books of record and
24 account, separate entirely from other records and accounts of
25 such borrower, in which full and correct entries shall be made of
26 all dealings or transactions of or in relation to the properties,
27 business, and affairs of the public improvement. The governing

1 body of ~~such~~ A borrower, not later than 6 months after the
2 close of any operating year, shall cause to be prepared, on forms
3 furnished by the department of treasury, a statement in reason-
4 able detail, sworn to by its chief accounting officer, showing
5 the cash income and disbursements of the public improvement
6 during ~~such~~ THE operating year, and the assets and liabilities
7 of the same at the close of ~~such~~ THAT OPERATING year. ~~Such~~
8 THAT statement, at all reasonable times during usual business
9 hours, shall be open to examination and inspection by any taxpay-
10 er, user of the services furnished by the public improvement, or
11 any holder or owner of bonds issued under this act, or anyone
12 acting for or on behalf of ~~such~~ A taxpayer, user of the serv-
13 ices of the public improvement, or bondholder. ~~, and a certified~~
14 ~~copy thereof shall be filed with the department of treasury not~~
15 ~~later than 6 months after the close of such operating year. The~~
16 ~~governing body, or any officer or member of the governing body,~~
17 ~~charged with the duty of compiling and furnishing the statement~~
18 ~~herein required who refuses or neglects to furnish the same to~~
19 ~~the department of treasury within the time required, is guilty of~~
20 ~~a misdemeanor, and the department of treasury may compel compli-~~
21 ~~ance with this section by proceedings in mandamus. If the books~~
22 of record and account pertaining to the public improvement are
23 audited annually by a certified public accountant, the audit
24 report of the annual audit, for the purposes of this section and
25 at the option of the governing body of the borrower, may be used
26 in place of the statement to be prepared on forms furnished by
27 the department of treasury and all of the provisions of this

1 section pertaining to the statement shall apply to the annual
2 audit report.