

SENATE BILL No. 966

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

A bill to amend 1937 PA 79, entitled

"An act to authorize any municipality, as herein defined, to borrow money and issue notes in anticipation of the collection of revenues other than taxes and special assessments; and to prescribe the powers and duties of certain state departments, commissions, and officials,"

by amending sections 2, 3, and 4 (MCL 141.222, 141.223, and 141.224), section 3 as amended by 1983 PA 50; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 2. Any municipality of ~~the~~ THIS state ~~of Michigan~~
2 ~~which may now or may hereafter operate~~ THAT OPERATES any public
3 utility pursuant to law for the purpose of supplying bus or
4 street railway transportation or water supply ~~—~~, may, by resolu-
5 tion of its governing body, borrow money and issue notes
6 ~~therefor, bearing a rate of interest not to exceed 6 per cent~~
7 ~~per annum~~ for the purpose of acquiring, constructing,

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1 purchasing, owning, maintaining, or operating any ~~such~~ public
2 utility as ~~defined~~ DESCRIBED in section 1(a), ~~hereof~~ as the
3 board in charge of ~~such~~ THE utility and the governing body of
4 ~~any such~~ THE municipality may ~~deem~~ CONSIDER necessary or
5 desirable for the purpose of supplying bus or street railway
6 transportation or water supply to the inhabitants of ~~any such~~
7 THE municipality and within a distance of 10 miles from any por-
8 tion of its corporate limits, and as the public convenience may
9 require, together with all the necessary equipment. ~~therefor.~~

10 Sec. 3. ~~(1) Unless an exception from prior approval is~~
11 ~~available pursuant to subsection (2), before any notes shall be~~
12 ~~issued under this act, the municipality shall make application to~~
13 ~~the municipal finance commission or its successor agency. If~~
14 ~~determining whether to approve the issuance of the proposed~~
15 ~~notes, the commission or its successor agency shall have power:~~

16 ~~(a) To permit the issuance of the notes in whole or in part~~
17 ~~as requested in the application.~~

18 ~~(b) To prescribe reasonable terms and conditions upon which~~
19 ~~the notes shall be issued.~~

20 ~~(c) To deny permission to issue the notes in whole or in~~
21 ~~part, if, in the opinion of the commission or its successor~~
22 ~~agency, the issuance of the notes to the extent of the denial~~
23 ~~would not be in the public interest or would not be sound munici-~~
24 ~~pal financing.~~

25 ~~(2) The requirement of subsection (1) for obtaining the~~
26 ~~prior approval of the municipal finance commission or its~~
27 ~~successor agency before issuing notes under this act shall be~~

1 ~~subject to sections 10 and 11 of chapter III of Act No. 202 of~~
2 ~~the Public Acts of 1943, being sections 133.10 and 133.11 of the~~
3 ~~Michigan Compiled Laws, and the department of treasury shall have~~
4 ~~the same authority as provided by section 11 of chapter III of~~
5 ~~Act No. 202 of the Public Acts of 1943 to issue an order provid-~~
6 ~~ing or denying an exception from the prior approval required by~~
7 ~~subsection (1) for notes authorized by this act.~~

8 ~~(3) Except as provided by this section, notes~~ NOTES issued
9 under this act ~~shall not be~~ ARE subject to the ~~municipal~~
10 ~~finance act, Act No. 202 of the Public Acts of 1943, being sec-~~
11 ~~tions 131.1 to 139.3 of the Michigan Compiled Laws~~ REVISED
12 MUNICIPAL FINANCE ACT, 2001 PA 34, MCL 141.2101 TO 141.2821.

13 Sec. 4. Any ~~such~~ governmental unit DESCRIBED IN THIS ACT
14 may borrow money and issue notes in anticipation of the collec-
15 tion of revenues of any ~~such~~ utility DESCRIBED IN THIS ACT to
16 an amount not exceeding ~~10 per cent~~ 10% of the total revenues
17 of ~~such~~ THE public utility for the preceding fiscal year.
18 ~~Such~~ THE notes may be issued at any time against current reve-
19 nues of ~~any such~~ THE utility or the same may be issued against
20 the revenues of any ensuing fiscal year and shall be made payable
21 not later than the fiscal year against which revenues are
22 pledged.

23 Enacting section 1. Section 5 of 1937 PA 79, MCL 141.225,
24 is repealed.