

SENATE BILL No. 1062

February 5, 2002, Introduced by Senator GARCIA and referred to the Committee on Finance.

A bill to amend 1913 PA 380, entitled

"An act to regulate gifts of real and personal property to cities, villages, townships, and counties, and the use of the those gifts; and to validate all such gifts made before the enactment of this act,"

by amending section 2 (MCL 123.872), as added by 1985 PA 9.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 2. (1) To provide a means and method to encourage and
2 assist businesses in locating and expanding in this state, and if
3 not prohibited by the terms of the grant, a city, village, town-
4 ship, or county may use a federal, state, or local grant or the
5 proceeds of a federal, state, or local grant to make a secured or
6 unsecured loan or to make a grant to a private person, to a cor-
7 poration or other business association, to a city, village, town-
8 ship, or county, or to an instrumentality of a city, village,
9 township, or county.

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1 (2) A loan or grant made pursuant to subsection (1) may be
2 used for local public improvements or to encourage and assist
3 businesses in locating or expanding in this state, to preserve
4 jobs in this state, to encourage investment in the communities in
5 this state, or for other public purposes.

6 (3) The right to repayment of a loan made under
7 subsection (1) may be assigned by a city, village, township, or
8 county to an entity, agency, or authority created pursuant to
9 law, or to a private corporation or association created to make
10 and administer loans made under subsection (1).

11 (4) A city, village, township, or county may receive loans
12 pursuant to subsection (1) and issue loan revenue bonds secured
13 by the repayment of loans made under subsection (1). ~~For the~~
14 ~~purposes specified in subsection (2), bonds issued pursuant to~~
15 ~~this section shall be approved by the department of treasury~~
16 ~~before their issuance, but shall not otherwise be subject to the~~
17 ~~provisions of the municipal finance act, Act No. 202 of the~~
18 ~~Public Acts of 1943, being sections 131.1 to 139.3 of the~~
19 ~~Michigan Compiled Laws. In determining whether the issuance of~~
20 ~~the bonds shall be approved, the department of treasury shall~~
21 ~~take into consideration the following:~~ REVENUE BONDS ISSUED
22 UNDER THIS ACT ARE SUBJECT TO THE REVENUE BOND ACT OF 1933, 1933
23 PA 94, MCL 141.101 TO 141.140.

24 ~~(a) Whether the bonds conform to the provisions of law.~~

25 ~~(b) Whether the probable revenue and properties pledged for~~
26 ~~payment of the bonds will be sufficient to pay the principal of~~
27 ~~and interest on the bonds when due.~~

1 ~~(c) Whether the amount of the proposed issue is sufficient~~
2 ~~or excessive for the purpose for which the bonds are to be~~
3 ~~issued.~~

4 ~~The loan revenue bonds shall not be general obligations of the~~
5 ~~city, village, township, or county issuing the loan revenue~~
6 ~~bonds. The loan revenue bonds are declared to be issued for an~~
7 ~~essential public and governmental purpose, and, together with~~
8 ~~interest on those bonds and income from those bonds, shall be~~
9 ~~exempted from all taxes.~~