

SENATE BILL No. 240

February 27, 2003, Introduced by Senators GEORGE, GARCIA, BERNERO, SCHAUER, GOSCHKA, ALLEN and CLARKE and referred to the Committee on Local, Urban and State Affairs.

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 the title and section 2 (MCL 123.872), the title as amended and section 2 as added by 1985 PA 9.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

TITLE

An act to regulate gifts of real and personal property to cities, villages, townships, and counties, and the use of ~~the~~ those gifts **and other funds**; and to validate all ~~such~~ gifts made before ~~the enactment of this act~~ **August 14, 1913.**

Sec. 2. (1) To provide a means and method to encourage and assist businesses in locating and expanding in this state, and if not prohibited by the terms of the grant, a city, village, township, or county may use a federal, state, or local grant or

1 the proceeds of a federal, state, or local grant to make a
 2 secured or unsecured loan or to make a grant to a private person,
 3 to a corporation or other business association, to a city,
 4 village, township, or county, or to an instrumentality of a city,
 5 village, township, or county. **A county may grant or loan funds**
 6 **that are not derived from ad valorem taxes to a township,**
 7 **village, or city located within that county for the purpose of**
 8 **encouraging and assisting businesses to locate and expand within**
 9 **the county.**

10 (2) A loan or grant made ~~pursuant to~~ **under** subsection (1)
 11 may be used for local public improvements or to encourage and
 12 assist businesses in locating or expanding in this state, to
 13 preserve jobs in this state, to encourage investment in the
 14 communities in this state, or for other public purposes.

15 (3) The right to repayment of a loan made under subsection
 16 (1) may be assigned by a city, village, township, or county to an
 17 entity, agency, or authority created ~~pursuant to~~ **under** law, or
 18 to a private corporation or association created to make and
 19 administer loans made under subsection (1).

20 (4) A city, village, township, or county may receive loans
 21 ~~pursuant to~~ **under** subsection (1) and issue loan revenue bonds
 22 secured by the repayment of loans made under subsection (1). For
 23 the purposes specified in subsection (2), bonds issued ~~pursuant~~
 24 ~~to~~ **under** this section shall be approved by the department of
 25 treasury before their issuance, but shall not otherwise be
 26 subject to ~~the provisions of~~ the **revised** municipal finance act,
 27 ~~Act No. 202 of the Public Acts of 1943, being sections 131.1 to~~

1 ~~139.3 of the Michigan Compiled Laws~~ 2001 PA 34, MCL 141.2101 to
2 141.2821. In determining whether the issuance of the bonds shall
3 be approved, the department of treasury shall take into
4 consideration the following:

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

6 (b) Whether the probable revenue and properties pledged for
7 payment of the bonds will be sufficient to pay the principal of
8 and interest on the bonds when due.

9 (c) Whether the amount of the proposed issue is sufficient or
10 excessive for the purpose for which the bonds are to be issued.

11 (5) The loan revenue bonds shall not be general obligations
12 of the city, village, township, or county issuing the loan
13 revenue bonds. The loan revenue bonds are declared to be issued
14 for an essential public and governmental purpose, and, together
15 with interest on those bonds and income from those bonds, shall
16 be exempted from all taxes.