

# HOUSE BILL No. 5024

July 10, 2007, Introduced by Rep. Sheltroun and referred to the Committee on Commerce.

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending sections 21528 and 50510 (MCL 324.21528 and 324.50510), section 21528 as amended by 1996 PA 181 and section 50510 as amended by 2002 PA 387.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 21528. (1) The authority may issue from time to time  
2 bonds or notes in principal amounts the authority considers  
3 necessary to provide funds for any purpose, including, but not  
4 limited to, all of the following:

5           (a) The purposes described in section 21506(4)(a) and (e).

6           (b) The payment, funding, or refunding of the principal of,  
7 interest on, or redemption premiums on bonds or notes issued by the

1 authority whether the bonds or notes or interest to be funded or  
2 refunded have or have not become due.

3 (c) The establishment or increase of reserves to secure or to  
4 pay authority bonds or notes or interest on those bonds or notes.

5 (d) The payment of interest on the bonds or notes for a period  
6 determined by the authority.

7 (e) The payment of all other costs or expenses of the  
8 authority incident to and necessary or convenient to implement its  
9 purposes and powers.

10 (2) The bonds or notes of the authority are not a general  
11 obligation of the authority but are payable solely from the  
12 revenues or funds, or both, pledged to the payment of the principal  
13 of and interest on the bonds or notes as provided in the resolution  
14 authorizing the bond or note.

15 (3) The bonds or notes of the authority:

16 (a) Shall be authorized by resolution of the authority.

17 (b) Shall bear the date or dates of issuance.

18 (c) May be issued as either tax-exempt bonds or notes or  
19 taxable bonds or notes for federal income tax purposes.

20 (d) Shall be serial bonds, term bonds, or term and serial  
21 bonds.

22 (e) Shall mature at such time or times not exceeding 20 years  
23 from the date of issuance.

24 (f) May provide for sinking fund payments.

25 (g) May provide for redemption at the option of the authority  
26 for any reason or reasons.

27 (h) May provide for redemption at the option of the bondholder

1 for any reason or reasons.

2 (i) Shall bear interest at a fixed or variable rate or rates  
3 of interest per annum or at no interest.

4 (j) Shall be registered bonds, coupon bonds, or both.

5 (k) May contain a conversion feature.

6 (l) May be transferable.

7 (m) Shall be in the form, denomination or denominations, and  
8 with such other provisions and terms as is determined necessary or  
9 beneficial by the authority.

10 (4) If a member of the board of directors or any officer of  
11 the authority whose signature or facsimile of his or her signature  
12 appears on the note, bond, or coupon ceases to be a member or  
13 officer before the delivery of that bond or note, the signature  
14 continues to be valid and sufficient for all purposes, as if the  
15 member or officer had remained in office until the delivery.

16 (5) Bonds or notes of the authority may be sold at a public or  
17 private sale at the time or times, at the price or prices, and at a  
18 discount as the authority determines. An authority bond or note is  
19 not subject to the ~~municipal finance act, Act No. 202 of the Public~~  
20 ~~Acts of 1943, being sections 131.1 to 139.3 of the Michigan~~  
21 ~~Compiled Laws~~ **REVISED MUNICIPAL FINANCE ACT, 2001 PA 34, MCL**  
22 **141.2101 TO 141.2821.** ~~The bond or note shall not require the~~  
23 ~~approval of the state treasurer under Act No. 202 of the Public~~  
24 ~~Acts of 1943 and shall not be required to be registered.~~ The bond  
25 or note of the authority ~~shall not be~~ **IS NOT** required to be filed  
26 under the uniform securities act, ~~Act No. 265 of the Public Acts of~~  
27 ~~1964, being sections 451.501 to 451.818 of the Michigan Compiled~~

1 ~~Laws~~ 1964 PA 265, MCL 451.501 TO 451.818, OR THE UNIFORM SECURITIES  
2 ACT (2002), MCL 451.2101 TO 451.2703.

3 Sec. 50510. (1) The authority may issue from time to time  
4 bonds or notes in principal amounts the authority considers  
5 necessary to provide funds for any purpose, including, but not  
6 limited to, all of the following:

7 (a) The payment, funding, or refunding of the principal of,  
8 interest on, or redemption premiums on bonds or notes issued by the  
9 authority whether the bonds or notes or interest to be funded or  
10 refunded have or have not become due.

11 (b) The establishment or increase of reserves to secure or to  
12 pay authority bonds or notes or interest on those bonds or notes.

13 (c) The payment of interest on the bonds or notes for a period  
14 as the authority determines.

15 (d) The payment of all other costs or expenses of the  
16 authority incident to and necessary or convenient to carry out its  
17 corporate purposes and powers.

18 (2) The bonds or notes of the authority shall not be a general  
19 obligation of the authority but shall be payable solely from the  
20 revenues or funds, or both, pledged to the payment of the principal  
21 of and interest on the bonds or notes as provided in the resolution  
22 authorizing the bond or note.

23 (3) The bonds or notes of the authority:

24 (a) Shall be authorized by resolution of the authority.

25 (b) Shall bear the date or dates of issuance.

26 (c) May be issued as either tax-exempt bonds or notes or  
27 taxable bonds or notes for federal income tax purposes.

1 (d) Shall be serial bonds, term bonds, or term and serial  
2 bonds.

3 (e) Shall mature at such time or times not exceeding 30 years  
4 from the date of issuance.

5 (f) May provide for sinking fund payments.

6 (g) May provide for redemption at the option of the authority  
7 for any reason or reasons.

8 (h) May provide for redemption at the option of the bondholder  
9 for any reason or reasons.

10 (i) Shall bear interest at a fixed or variable rate or rates  
11 of interest per annum or at no interest.

12 (j) Shall be registered bonds, coupon bonds, or both.

13 (k) May contain a conversion feature.

14 (l) May be transferable.

15 (m) Shall be in the form, denomination or denominations, and  
16 with the other provisions and terms as is determined necessary or  
17 beneficial by the authority.

18 (4) If a member of the board or any officer of the authority  
19 whose signature or facsimile of his or her signature appears on the  
20 note, bond, or coupon ceases to be a member or officer before the  
21 delivery of that note or bond, the signature shall continue to be  
22 valid and sufficient for all purposes, as if the member or officer  
23 had remained in office until the delivery.

24 (5) Bonds or notes of the authority may be sold at a public or  
25 private sale at the time or times, at the price or prices, and at a  
26 discount as the authority determines. Bonds and notes of the  
27 authority are not subject to the revised municipal finance act,

1 2001 PA 34, MCL 141.2101 to 141.2821. The bond or note of the  
2 authority is not required to be filed under the uniform securities  
3 act, 1964 PA 265, MCL 451.501 to 451.818, **OR THE UNIFORM SECURITIES**  
4 **ACT (2002), MCL 451.2101 TO 451.2703.**

5 (6) The issuance of bonds and notes under this section is  
6 subject to the agency financing reporting act, **2002 PA 470, MCL**  
7 **129.171 TO 129.177.**

8 (7) For the purpose of more effectively managing its debt  
9 service, the authority may enter into an interest rate exchange or  
10 swap, hedge, or similar agreement with respect to its bonds or  
11 notes on the terms and payable from the sources and with the  
12 security, if any, as determined by a resolution of the authority.

13 Enacting section 1. This amendatory act does not take effect  
14 unless Senate Bill No.\_\_\_\_ or House Bill No. 5008(request no.  
15 00420'07) of the 94th Legislature is enacted into law.