

HOUSE BILL No. 4077

January 22, 2009, Introduced by Rep. Marleau and referred to the Committee on Judiciary.

A bill to amend 2001 PA 34, entitled
"Revised municipal finance act,"
by amending section 103 (MCL 141.2103).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 103. As used in this act:

2 (a) "Assessed value", "assessed valuation", "valuation as
3 assessed", and "valuation as shown by the last preceding tax
4 assessment roll", or similar terms, used in this act, any statute,
5 or charter as a basis for computing limitations upon the taxing or
6 borrowing power of any municipality, mean the state equalized
7 valuation as determined under the general property tax act, 1893 PA
8 206, MCL 211.1 to ~~211.157~~ **211.155**.

9 (b) "Chief administrative officer" means that term as defined
10 in section 2b of the uniform budgeting and accounting act, 1968 PA

1 2, MCL 141.422b.

2 (c) "Debt" means all borrowed money, loans, and other
3 indebtedness, including principal and interest, evidenced by bonds,
4 obligations, refunding obligations, notes, contracts, securities,
5 refunding securities, municipal securities, or certificates of
6 indebtedness that are lawfully issued or assumed, in whole or in
7 part, by a municipality, or will be evidenced by a judgment or
8 decree against the municipality.

9 (d) "Debt retirement fund" means a segregated account or group
10 of accounts used to account for the payment of, interest on, or
11 principal and interest on a municipal security.

12 (e) "Deficit" means a situation for any fund of a municipality
13 in which, at the end of a fiscal year, total expenditures,
14 including an accrued deficit, exceeded total revenues for the
15 fiscal year, including any surplus carried forward.

16 (f) "Department" means the department of treasury.

17 (g) "Fiscal year" means a 12-month period fixed by statute,
18 charter, or ordinance, or if not so fixed, then as determined by
19 the department.

20 (h) "Governing body" means the county board of commissioners
21 of a county; the township board of a township; the council, common
22 council, or commission of a city; the council, commission, or board
23 of trustees of a village; the board of education or district board
24 of a school district; the board of an intermediate school district;
25 the board of trustees of a community college district; the county
26 drain commissioner or drainage board of a drainage district; the
27 board of the district library; the legislative body of a

1 metropolitan district; the port commission of a port district; and,
2 in the case of another governmental authority or agency, that
3 official or official body having general governing powers over the
4 authority or agency.

5 (I) "HEALTH CARE TRUST FUND" MEANS A TRUST OR FUND CREATED IN
6 ACCORDANCE WITH THE PUBLIC EMPLOYEE HEALTH CARE FUND INVESTMENT
7 ACT, 1999 PA 149, MCL 38.1211 TO 38.1216, OR OTHER STATE OR FEDERAL
8 STATUTE, AND USED EXCLUSIVELY TO PROVIDE FUNDING FOR POSTEMPLOYMENT
9 HEALTH CARE BENEFITS FOR PUBLIC EMPLOYEE RETIREES OF A COUNTY,
10 CITY, VILLAGE, OR TOWNSHIP. A HEALTH CARE TRUST FUND ALSO INCLUDES
11 THE RETIREE HEALTH FUND VEHICLE ADMINISTERED BY THE MUNICIPAL
12 EMPLOYEES RETIREMENT SYSTEM DESCRIBED IN THE MUNICIPAL EMPLOYEES
13 RETIREMENT ACT OF 1984, 1984 PA 427, MCL 38.1501 TO 38.1555, FOR A
14 COUNTY, CITY, VILLAGE, OR TOWNSHIP THAT HAS ADOPTED THE MUNICIPAL
15 EMPLOYEE RETIREMENT SYSTEM TO PROVIDE FUNDING FOR POSTEMPLOYMENT
16 HEALTH CARE BENEFITS FOR PUBLIC EMPLOYEE RETIREES.

17 (J) ~~(i)~~ "Municipal security" means a security that when issued
18 was not exempt from this act or ~~the municipal finance act, FORMER~~
19 ~~1943 PA 202, MCL 131.1 to 139.3,~~ by the provisions of this act or
20 by the provisions of ~~the municipal finance act, FORMER~~ 1943 PA 202,
21 ~~MCL 131.1 to 139.3,~~ or by the provisions of the law authorizing its
22 issuance and that is payable from or secured by any of the
23 following:

24 (i) Ad valorem real and personal property taxes.

25 (ii) Special assessments.

26 (iii) The limited or unlimited full faith and credit pledge of
27 the municipality.

1 (iv) Other sources of revenue described in this act for debt or
2 securities authorized by this act.

3 (K) ~~(j)~~—"Municipality" means a county, township, city,
4 village, school district, intermediate school district, community
5 college district, metropolitan district, port district, drainage
6 district, district library, or another governmental authority or
7 agency in this state that has the power to issue a security.
8 Municipality does not include this state or any authority, agency,
9 fund, commission, board, or department of this state.

10 (I) ~~(k)~~—"Outstanding security" means a security that has been
11 issued, but not defeased or repaid, including a security that when
12 issued was exempt from this act or ~~the municipal finance act,~~
13 **FORMER** 1943 PA 202, ~~MCL 131.1 to 139.3,~~ by the provisions of this
14 act or by the provisions of ~~the municipal finance act,~~ **FORMER** 1943
15 PA 202, ~~MCL 131.1 to 139.3,~~ or by the provisions of the law
16 authorizing its issuance.

17 (M) ~~(l)~~—"Qualified status" means a municipality that has filed
18 a qualifying statement under section 303 and has been determined by
19 the department to be qualified to issue municipal securities
20 without further approval by the department.

21 (N) ~~(m)~~—"Refunding security" means a municipal security issued
22 to refund an outstanding security.

23 (O) ~~(n)~~—"Security" means an evidence of debt such as a bond,
24 note, contract, obligation, refunding obligation, certificate of
25 indebtedness, or other similar instrument issued by a municipality,
26 which pledges payment of the debt by the municipality from an
27 identified source of revenue.

1 (P) ~~(e)~~—"Sinking fund" means a fund for the payment of
2 principal only of a mandatory redemption security.

3 (Q) ~~(p)~~—"Taxable value" means the taxable value of the
4 property as determined under section 27a of the general property
5 tax act, 1893 PA 206, MCL 211.27a.

6 (R) **"UNFUNDED ACCRUED LIABILITY" MEANS THE DIFFERENCE BETWEEN**
7 **THE ASSETS AND LIABILITIES OF A HEALTH CARE TRUST FUND AS**
8 **DETERMINED BY AN ACTUARIAL STUDY CONDUCTED PURSUANT TO RULE 43 OR**
9 **45 OF THE GOVERNMENTAL ACCOUNTING STANDARDS BOARD.**

10 Enacting section 1. This amendatory act does not take effect
11 unless all of the following bills of the 95th Legislature are
12 enacted into law:

13 (a) Senate Bill No. _____ or House Bill No. 4075 (request no.
14 01214'09).

15 (b) Senate Bill No. _____ or House Bill No. 4074 (request no.
16 01215'09).