

HOUSE BILL No. 5344

September 10, 2009, Introduced by Reps. Bolger, Wayne Schmidt, Haines, Lund, Proos, Stamas, Horn, Crawford, Caul, Paul Scott, Ball, Tyler, DeShazor, Meltzer and Denby and referred to the Committee on Appropriations.

A bill to amend 1985 PA 227, entitled
"Shared credit rating act,"
by amending section 3 (MCL 141.1053), as amended by 2005 PA 93.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 3. As used in this act:

2 (a) "Authority" means the Michigan municipal bond authority
3 created in section 4.

4 (b) "Board" means the board of trustees of the authority
5 established in section 5.

6 (c) "Bonds" means bonds of the authority issued under this act
7 with a maturity greater than 3 years.

8 (d) "Capitalization grant" means the federal grant made to
9 this state by the United States environmental protection agency for

1 either of the following purposes:

2 (i) For the purpose of establishing a state water pollution
3 control revolving fund, as provided in title VI of the federal
4 water pollution control act, 33 USC 1381 to 1387.

5 (ii) For the purpose of establishing a state drinking water
6 revolving fund, as provided in section 1452 of the public health
7 service act, 42 USC 300j-12.

8 (e) "Community water supply" means a community water supply as
9 defined in part 54 of the natural resources and environmental
10 protection act, 1994 PA 451, MCL 324.5401 to 324.5418.

11 (f) "Federal safe drinking water act" means title XIV of the
12 public health service act, chapter 373, 88 Stat. 1660.

13 (g) "Federal water pollution control act" means 33 USC 1251 to
14 1387.

15 (h) "Fully marketable form" means a municipal obligation duly
16 executed and accompanied by all of the following:

17 (i) An approving legal opinion of a bond counsel approved by
18 the authority and of nationally recognized standing in the field of
19 municipal law.

20 (ii) Closing documents in a form and substance satisfactory to
21 the authority. The executed municipal obligation need not be
22 printed or lithographed nor be in more than 1 denomination.

23 (iii) Evidence that the pledge for payment of the municipal
24 obligation will be sufficient to pay the principal of and interest
25 on the municipal obligation when due.

26 (iv) For purposes of a project funded under section 16a, an
27 order of approval issued by the department of ~~environmental quality~~

1 **NATURAL RESOURCES** under part 53 of the natural resources and
2 environmental protection act, 1994 PA 451, MCL 324.5301 to
3 324.5316. The order shall state that the project proposed by the
4 governmental unit has been approved for assistance by the
5 department of ~~environmental quality~~ **NATURAL RESOURCES**.

6 (v) For purposes of a community water supply or a noncommunity
7 water supply funded under section 16b, an order of approval issued
8 by the department of ~~environmental quality~~ **NATURAL RESOURCES** under
9 part 54 of the natural resources and environmental protection act,
10 1994 PA 451, MCL 324.5401 to 324.5418. The order shall state that
11 the community water supply or the noncommunity water supply
12 proposed by the governmental unit has been approved for assistance
13 by the department of ~~environmental quality~~ **NATURAL RESOURCES**.

14 (i) "Governmental unit" means this state, a county, city,
15 township, village, school district, intermediate school district,
16 community college, public university, authority, district, any
17 other body corporate and politic or other political subdivision,
18 any agency or instrumentality of the foregoing, or any group self-
19 insurance pool formed pursuant to 1951 PA 35, MCL 124.1 to 124.13.
20 For purposes of a project funded under section 16a, governmental
21 unit includes an Indian tribe that has jurisdiction over
22 construction and operation of a project qualifying under 33 USC
23 1329. For purposes of a community water supply or a noncommunity
24 water supply funded under section 16b, governmental unit includes a
25 community water supplier. A governmental unit does not include a
26 self-insurance pool unless the self-insurance pool has filed a
27 certification by an independent actuary that the reserves set aside

1 under section 7a of 1951 PA 35, MCL 124.7a, are adequate for the
2 payment of claims. A school district shall include a public school
3 academy established under the revised school code, 1976 PA 451, MCL
4 380.1 to 380.1852. Funds loaned to a public school academy or a
5 school district may not be used to finance the purchase,
6 construction, lease, or renovation of property owned, directly or
7 indirectly, by any officer, board member, or employee of that
8 public school.

9 (j) "Municipal obligation" means a bond or note or evidence of
10 debt issued by a governmental unit for a purpose authorized by law.
11 A municipal obligation includes loan repayment obligations from a
12 school district to this state with respect to a qualified loan made
13 under a school loan act that is assigned or otherwise transferred
14 by this state to the authority.

15 (k) "Noncommunity water supply" means a noncommunity water
16 supply as defined in part 54 of the natural resources and
17 environmental protection act, 1994 PA 451, MCL 324.5401 to
18 324.5418.

19 (l) "Notes" means an obligation of the authority issued as
20 provided in this act, including commercial paper, with a maturity
21 of 3 years or less.

22 (m) "Project" means a sewage treatment works project or a
23 nonpoint source project, or both, as defined in part 53 of the
24 natural resources and environmental protection act, 1994 PA 451,
25 MCL 324.5301 to 324.5316.

26 (n) "Reserve fund" means a bond reserve fund or note reserve
27 fund created and established under section 16.

(o) "Revenues" means all fees, charges, money, profits, payments of principal of or interest on municipal obligations and other investments, gifts, grants, contributions, and all other income derived or to be derived by the authority under this act.

(p) "School loan act" means an act to implement section 16 of article IX of the state constitution of 1963, including, but not limited to, ~~1961 PA 108, MCL 388.951 to 388.963,~~ 1961 PA 112, MCL 388.981 to 388.985, and the school bond qualification, approval, and loan act, **2005 PA 92, MCL 388.1921 TO 388.1939**. For a qualified bond, as defined in **FORMER** 1961 PA 108, ~~MCL 388.951 to 388.963,~~ with a certificate of qualification from the state treasurer issued prior to ~~the effective date of the amendatory act that added this subdivision~~ **JULY 20, 2005**, "school loan act" means **FORMER** 1961 PA 108. ~~, MCL 388.951 to 388.963.~~ For a qualified bond as defined in the school bond qualification, approval, and loan act, **2005 PA 92, MCL 388.1921 TO 388.1939**, with a certificate of qualification or approval issued by the state treasurer after ~~the effective date of the school bond qualification, approval, and loan act~~ **JULY 20, 2005**, school loan act means the school bond qualification, approval, and loan act, **2005 PA 92, MCL 388.1921 TO 388.1939**.

(q) "Water supplier" means a water supplier as defined in part 54 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.5401 to 324.5418.

Enacting section 1. This amendatory act does not take effect unless Senate Bill No.____ or House Bill No.____ (request no. 04046'09) of the 95th Legislature is enacted into law.