

SENATE BILL No. 712

July 15, 2009, Introduced by Senators BIRKHOLZ, RICHARDVILLE and KAHN and referred to the Committee on Banking and Financial Institutions.

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
8 authority whether the bonds or notes or interest to be funded or

1 refunded have or have not become due.

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

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

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

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

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

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

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

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

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

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

23 (f) May provide for sinking fund payments.

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

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

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

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

4 (k) May contain a conversion feature.

5 (l) May be transferable.

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

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

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

1 ACT (2002), 2008 PA 551, MCL 451.2101 TO 451.2703.

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

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

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

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

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

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

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

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

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

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

27 (d) Shall be serial bonds, term bonds, or term and serial

1 bonds.

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

4 (f) May provide for sinking fund payments.

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

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

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

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

12 (k) May contain a conversion feature.

13 (l) May be transferable.

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

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

23 (5) Bonds or notes of the authority may be sold at a public or
24 private sale at the time or times, at the price or prices, and at a
25 discount as the authority determines. Bonds and notes of the
26 authority are not subject to the revised municipal finance act,
27 2001 PA 34, MCL 141.2101 to 141.2821. The bond or note of the

1 authority is not required to be filed under the uniform securities
2 act, 1964 PA 265, MCL 451.501 to 451.818, **OR THE UNIFORM SECURITIES**
3 **ACT (2002), 2008 PA 551, MCL 451.2101 TO 451.2703.**

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

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