

HOUSE SUBSTITUTE FOR  
SENATE BILL NO. 1129

A bill to amend 2001 PA 34, entitled  
"Revised municipal finance act,"  
by amending sections 103, 305, and 503 (MCL 141.2103, 141.2305, and  
141.2503) and by adding section 518.

**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**.

1 (b) "Chief administrative officer" means that term as defined  
2 in section 2b of the uniform budgeting and accounting act, 1968 PA  
3 2, MCL 141.422b.

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

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

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

18 **(F) "DEFINED BENEFIT PLAN" MEANS A RETIREMENT PROGRAM OTHER**  
19 **THAN A DEFINED CONTRIBUTION PLAN.**

20 **(G) "DEFINED CONTRIBUTION PLAN" MEANS A RETIREMENT PROGRAM**  
21 **THAT PROVIDES FOR AN INDIVIDUAL ACCOUNT FOR EACH PARTICIPANT AND**  
22 **FOR BENEFITS BASED SOLELY UPON THE AMOUNT CONTRIBUTED TO THE**  
23 **PARTICIPANT'S ACCOUNT, AND ANY INCOME, EXPENSES, GAINS, AND LOSSES**  
24 **CREDITED OR CHARGED TO THE ACCOUNT, AND ANY FORFEITURES OF ACCOUNTS**  
25 **OF OTHER PARTICIPANTS THAT MAY BE ALLOCATED TO THE PARTICIPANT'S**  
26 **ACCOUNT.**

27 **(H) ~~(f)~~—"Department"** means the department of treasury.

1       (I) ~~(g)~~—"Fiscal year" means a 12-month period fixed by  
2 statute, charter, or ordinance, or if not so fixed, then as  
3 determined by the department.

4       (J) ~~(h)~~—"Governing body" means the county board of  
5 commissioners of a county; the township board of a township; the  
6 council, common council, or commission of a city; the council,  
7 commission, or board of trustees of a village; the board of  
8 education or district board of a school district; the board of an  
9 intermediate school district; the board of trustees of a community  
10 college district; the county drain commissioner or drainage board  
11 of a drainage district; the board of the district library; the  
12 legislative body of a metropolitan district; the port commission of  
13 a port district; and, in the case of another governmental authority  
14 or agency, that official or official body having general governing  
15 powers over the authority or agency.

16       (K) "HEALTH CARE TRUST FUND" MEANS A TRUST OR FUND CREATED IN  
17 ACCORDANCE WITH THE PUBLIC EMPLOYEE HEALTH CARE FUND INVESTMENT  
18 ACT, 1999 PA 149, MCL 38.1211 TO 38.1216, OR OTHER STATE OR FEDERAL  
19 STATUTE, AND USED EXCLUSIVELY TO PROVIDE FUNDING FOR POSTEMPLOYMENT  
20 HEALTH CARE BENEFITS FOR PUBLIC EMPLOYEE RETIREES OF A COUNTY,  
21 CITY, VILLAGE, OR TOWNSHIP. A HEALTH CARE TRUST FUND ALSO INCLUDES  
22 THE RETIREE HEALTH FUND VEHICLE ADMINISTERED BY THE MUNICIPAL  
23 EMPLOYEES RETIREMENT SYSTEM DESCRIBED IN THE MUNICIPAL EMPLOYEES  
24 RETIREMENT ACT OF 1984, 1984 PA 427, MCL 38.1501 TO 38.1555, FOR A  
25 COUNTY, CITY, VILLAGE, OR TOWNSHIP THAT HAS ADOPTED THE MUNICIPAL  
26 EMPLOYEE RETIREMENT SYSTEM TO PROVIDE FUNDING FOR POSTEMPLOYMENT  
27 HEALTH CARE BENEFITS FOR PUBLIC EMPLOYEE RETIREES.

1        **(I)** ~~(i)~~ "Municipal security" means a security that when issued  
 2 was not exempt from this act or ~~the municipal finance act, FORMER~~  
 3 1943 PA 202, ~~MCL 131.1 to 139.3,~~ by the provisions of this act or  
 4 by ~~the provisions of the municipal finance act, FORMER~~ 1943 PA 202  
 5 ~~, MCL 131.1 to 139.3,~~ or by the provisions of the law authorizing  
 6 its issuance and that is payable from or secured by any of the  
 7 following:

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

9        (ii) Special assessments.

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

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

14       **(M)** ~~(j)~~ "Municipality" means a county, township, city,  
 15 village, school district, intermediate school district, community  
 16 college district, metropolitan district, port district, drainage  
 17 district, district library, or another governmental authority or  
 18 agency in this state that has the power to issue a security.  
 19 Municipality does not include this state or any authority, agency,  
 20 fund, commission, board, or department of this state.

21       **(N)** ~~(k)~~ "Outstanding security" means a security that has been  
 22 issued, but not defeased or repaid, including a security that when  
 23 issued was exempt from this act or ~~the municipal finance act,~~  
 24 **FORMER** 1943 PA 202, ~~MCL 131.1 to 139.3,~~ by the provisions of this  
 25 act or by ~~the provisions of the municipal finance act, FORMER~~ 1943  
 26 PA 202, ~~MCL 131.1 to 139.3,~~ or by the provisions of the law  
 27 authorizing its issuance.

1       (O) ~~(H)~~ "Qualified status" means a municipality that has filed  
2 a qualifying statement under section 303 and has been determined by  
3 the department to be qualified to issue municipal securities  
4 without further approval by the department.

5       (P) ~~(m)~~ "Refunding security" means a municipal security issued  
6 to refund an outstanding security.

7       (Q) "RETIREMENT PROGRAM" MEANS A PROGRAM OF RIGHTS AND  
8 OBLIGATIONS WHICH A COUNTY, CITY, VILLAGE, OR TOWNSHIP ESTABLISHES,  
9 MAINTAINS, OR PARTICIPATES IN AND WHICH, BY ITS EXPRESS TERMS OR AS  
10 A RESULT OF SURROUNDING CIRCUMSTANCES, DOES 1 OR MORE OF THE  
11 FOLLOWING:

12       (i) PROVIDES RETIREMENT INCOME TO PARTICIPANTS.

13       (ii) RESULTS IN A DEFERRAL OF INCOME FOR PERIODS EXTENDING TO  
14 THE TERMINATION OF COVERED EMPLOYMENT OR BEYOND.

15       (R) ~~(n)~~ "Security" means an evidence of debt such as a bond,  
16 note, contract, obligation, refunding obligation, certificate of  
17 indebtedness, or other similar instrument issued by a municipality,  
18 which pledges payment of the debt by the municipality from an  
19 identified source of revenue.

20       (S) ~~(o)~~ "Sinking fund" means a fund for the payment of  
21 principal only of a mandatory redemption security.

22       (T) ~~(p)~~ "Taxable value" means the taxable value of the  
23 property as determined under section 27a of the general property  
24 tax act, 1893 PA 206, MCL 211.27a.

25       (U) "UNFUNDED ACCRUED HEALTH CARE LIABILITY" MEANS THE  
26 DIFFERENCE BETWEEN THE ASSETS AND LIABILITIES OF A HEALTH CARE  
27 TRUST FUND AS DETERMINED BY AN ACTUARIAL STUDY ACCORDING TO THE

1 MOST RECENT GOVERNMENTAL ACCOUNTING STANDARDS BOARD'S APPLICABLE  
2 STANDARDS.

3 (V) "UNFUNDED PENSION LIABILITY" MEANS THE AMOUNT A DEFINED  
4 BENEFIT PLAN'S LIABILITIES EXCEED ITS ASSETS ACCORDING TO THE MOST  
5 RECENT GOVERNMENTAL ACCOUNTING STANDARDS BOARD'S APPLICABLE  
6 STANDARDS.

7 Sec. 305. (1) A municipal security authorized by law to be  
8 issued by a municipality may, notwithstanding the provisions of a  
9 charter, bear no interest as provided in this section or a rate of  
10 interest not to exceed a maximum rate established by the governing  
11 body of the issuing municipality as set forth in its resolution or  
12 ordinance authorizing the issuance of the municipal security, which  
13 rate shall not exceed 18% per annum or a per annum rate determined  
14 by the department at the request of the municipality, whichever is  
15 higher. In making its determination, the department shall establish  
16 a rate that shall bear a reasonable relationship to 80% of the  
17 adjusted prime rate determined by the department under section 23  
18 of 1941 PA 122, MCL 205.23. Except as otherwise provided in this  
19 section, the rate determined by the department shall be conclusive  
20 as to the maximum rate of interest permitted for a municipal  
21 security issued under this act.

22 (2) Except as provided in subsection (3), a municipal security  
23 issued under this act shall not be sold at a discount exceeding 10%  
24 of the principal amount of the municipal security. The amortization  
25 of the discount shall be considered interest and shall be within  
26 the interest rate limitation set forth in subsection (1).

27 (3) A municipal security may be sold at a discount exceeding

1 10% of the principal amount of the municipal security only if 1 or  
2 more of the following conditions apply, as determined by the  
3 department:

4 (a) The sale will result in the more even distribution for the  
5 municipality of total debt service on proposed and outstanding  
6 municipal securities.

7 (b) The sale will result in an interest cost savings when  
8 compared to the best available alternative that does not include a  
9 municipal security being sold at a discount exceeding 10% of the  
10 principal amount.

11 (c) The issuance is based on the availability of specific  
12 revenues previously pledged for another purpose and lawfully  
13 available for this purpose.

14 (d) The municipal security is issued to this state or the  
15 federal government to secure a loan or agreement.

16 **(E) THE MUNICIPAL SECURITY IS ISSUED PURSUANT TO SECTION 518.**

17 (4) A municipal security issued in accordance with subsection  
18 (3)(a), (b), or (c) shall be rated investment grade by a nationally  
19 recognized rating agency or have insurance for payment of the  
20 principal and interest on the municipal security to the holders of  
21 the municipal security.

22 (5) Notwithstanding any other provision of this section, a  
23 municipal security meeting the requirements of subsection (3) that  
24 is a refunding security shall not have a maturity that exceeds the  
25 maturity of the existing municipal security.

26 (6) Not more than 25% of the total principal amount of any  
27 authorized issue of a municipal security shall meet the

1 qualifications under subsection (3)(a), (b), and (c).

2 (7) A municipal security may bear no interest if sold in  
3 accordance with a federal program by which the holder of the  
4 municipal security, as a result of holding the municipal security,  
5 may declare a credit against a federal tax.

6 (8) A municipal security may bear no interest and appreciate  
7 as to principal amount if it meets the requirements of subsections  
8 (3), (4), and (6). The accreted principal amount of a municipal  
9 security shall be considered interest and shall be within the  
10 interest rate limitations provided in subsection (1).

11 Sec. 503. (1) Municipal securities of a single issue may  
12 mature serially or be subject to mandatory redemptions, or both,  
13 with maturities as fixed by the governing body of the municipality.  
14 In any case, the first maturity or mandatory redemption date shall  
15 occur not later than 5 years after the date of issuance, and the  
16 total principal amount maturing or subject to mandatory redemption  
17 in any year after 4 years from the date of issuance shall not be  
18 less than 1/5 of the total principal amount maturing or subject to  
19 mandatory redemption in any subsequent year.

20 (2) In the resolution authorizing the issuance of a municipal  
21 security, the governing body of the municipality may provide that  
22 the municipality may purchase municipal securities in the open  
23 market at a price not greater than that payable on the next  
24 redemption date in order to satisfy all or part of the next  
25 succeeding scheduled mandatory redemption.

26 (3) The governing body of the municipality may provide that  
27 some or all of the principal amounts maturing in any year may be



1 redeemed at the option of the municipality at the times, on the  
2 terms and conditions, and at the price as provided by resolution of  
3 the governing body, except that a municipality shall not agree to  
4 pay a premium exceeding 3% of the principal amount being redeemed.

5 (4) All outstanding and authorized municipal securities of a  
6 school district payable out of taxes may be treated as a single  
7 issue for the purpose of fixing maturities. Several series of  
8 municipal securities issued under the same authorization may be  
9 treated as a single issue for the purpose of fixing maturities.

10 (5) A municipal security issued by a school district that is  
11 sold in accordance with a federal program in which the holder of  
12 the municipal security, as a result of holding the municipal  
13 security, may declare a credit against a federal tax is exempt from  
14 the provisions of subsection (1) if the school district deposits in  
15 trust payments to provide for the repayment of the municipal  
16 security and the first required payment shall occur not later than  
17 5 years after the date of issuance and each required payment in any  
18 year after 4 years from the date of issuance shall not be less than  
19 1/5 of the total required payment in any subsequent year.

20 (6) A MUNICIPAL SECURITY ISSUED BY A COUNTY, CITY, VILLAGE, OR  
21 TOWNSHIP PURSUANT TO SECTION 518 SHALL NOT BE SUBJECT TO THE  
22 MATURITY AND MANDATORY REDEMPTION REQUIREMENTS OF SUBSECTION (1).

23 SEC. 518. (1) THROUGH DECEMBER 31, 2014, IN CONNECTION WITH  
24 THE PARTIAL OR COMPLETE CESSATION OF ACCRUALS TO A DEFINED BENEFIT  
25 PLAN OR THE CLOSURE OF THE DEFINED BENEFIT PLAN TO NEW OR EXISTING  
26 EMPLOYEES, AND THE IMPLEMENTATION OF A DEFINED CONTRIBUTION PLAN,  
27 OR TO FUND COSTS OF A COUNTY, CITY, VILLAGE, OR TOWNSHIP THAT HAS

1 ALREADY CEASED ACCRUALS TO A DEFINED BENEFIT PLAN, A COUNTY, CITY,  
2 VILLAGE, OR TOWNSHIP MAY BY ORDINANCE OR RESOLUTION OF ITS  
3 GOVERNING BODY, AND WITHOUT A VOTE OF ITS ELECTORS, ISSUE A  
4 MUNICIPAL SECURITY UNDER THIS SECTION TO PAY ALL OR PART OF THE  
5 COSTS OF THE UNFUNDED PENSION LIABILITY FOR THAT RETIREMENT PROGRAM  
6 PROVIDED THAT THE AMOUNT OF TAXES NECESSARY TO PAY THE PRINCIPAL  
7 AND INTEREST ON THAT MUNICIPAL SECURITY, TOGETHER WITH THE TAXES  
8 LEVIED FOR THE SAME YEAR, SHALL NOT EXCEED THE LIMIT AUTHORIZED BY  
9 LAW.

10 (2) THROUGH DECEMBER 31, 2014, A COUNTY, CITY, VILLAGE, OR  
11 TOWNSHIP MAY BY ORDINANCE OR RESOLUTION OF ITS GOVERNING BODY, AND  
12 WITHOUT A VOTE OF ITS ELECTORS, ISSUE A MUNICIPAL SECURITY UNDER  
13 THIS SECTION TO PAY THE COSTS OF THE UNFUNDED ACCRUED HEALTH CARE  
14 LIABILITY PROVIDED THAT THE AMOUNT OF TAXES NECESSARY TO PAY THE  
15 PRINCIPAL AND INTEREST ON THAT MUNICIPAL SECURITY, TOGETHER WITH  
16 THE TAXES LEVIED FOR THE SAME YEAR, SHALL NOT EXCEED THE LIMIT  
17 AUTHORIZED BY LAW OR TO REFUND IN WHOLE OR IN PART A CONTRACT  
18 OBLIGATION ISSUED FOR THE SAME PURPOSE. POSTEMPLOYMENT HEALTH CARE  
19 OR BENEFITS MAY BE FUNDED BY THE COUNTY, CITY, VILLAGE, OR  
20 TOWNSHIP. THE FUNDING OF POSTEMPLOYMENT HEALTH CARE BENEFITS BY A  
21 COUNTY, CITY, VILLAGE, OR TOWNSHIP AS PROVIDED IN THIS ACT SHALL  
22 NOT CONSTITUTE A CONTRACT TO PAY THE POSTEMPLOYMENT HEALTH CARE  
23 BENEFITS.

24 (3) BEFORE A COUNTY, CITY, VILLAGE, OR TOWNSHIP ISSUES A  
25 MUNICIPAL SECURITY UNDER THIS SECTION, THE COUNTY, CITY, VILLAGE,  
26 OR TOWNSHIP SHALL PUBLISH A NOTICE OF INTENT TO ISSUE THE MUNICIPAL  
27 SECURITY. THE NOTICE OF INTENT AND THE RIGHTS OF REFERENDUM SHALL

1 MEET THE REQUIREMENTS OF SECTION 517(2).

2 (4) BEFORE A COUNTY, CITY, VILLAGE, OR TOWNSHIP ISSUES A  
3 MUNICIPAL SECURITY UNDER THIS SECTION, THE COUNTY, CITY, VILLAGE,  
4 OR TOWNSHIP SHALL PREPARE AND MAKE AVAILABLE TO THE PUBLIC A  
5 COMPREHENSIVE FINANCIAL PLAN THAT INCLUDES ALL OF THE FOLLOWING:

6 (A) AN ANALYSIS OF THE CURRENT AND FUTURE OBLIGATIONS OF THE  
7 COUNTY, CITY, VILLAGE, OR TOWNSHIP WITH RESPECT TO EACH RETIREMENT  
8 PROGRAM AND EACH POSTEMPLOYMENT HEALTH CARE BENEFIT PROGRAM OF THE  
9 COUNTY, CITY, VILLAGE, OR TOWNSHIP.

10 (B) EVIDENCE THAT THE ISSUANCE OF THE MUNICIPAL SECURITY  
11 TOGETHER WITH OTHER FUNDS LAWFULLY AVAILABLE WILL BE SUFFICIENT TO  
12 ELIMINATE THE UNFUNDED PENSION LIABILITY OR THE UNFUNDED ACCRUED  
13 HEALTH CARE LIABILITY.

14 (C) A DEBT SERVICE AMORTIZATION SCHEDULE AND A DESCRIPTION OF  
15 ACTIONS REQUIRED TO SATISFY THE DEBT SERVICE AMORTIZATION SCHEDULE.

16 (D) A CERTIFICATION BY THE PERSON PREPARING THE PLAN THAT THE  
17 COMPREHENSIVE FINANCIAL PLAN IS COMPLETE AND ACCURATE.

18 (E) IF THE PROCEEDS OF THE BORROWING ARE TO BE DEPOSITED IN A  
19 HEALTH CARE TRUST FUND, A PLAN IN PLACE FROM THE COUNTY, CITY,  
20 VILLAGE, OR TOWNSHIP TO MITIGATE THE INCREASE IN HEALTH CARE COSTS  
21 AND MAY INCLUDE A WELLNESS PROGRAM THAT PROMOTES THE MAINTENANCE OR  
22 IMPROVEMENT OF HEALTHY BEHAVIORS.

23 (5) MUNICIPAL SECURITIES ISSUED UNDER THIS SECTION BY A  
24 COUNTY, CITY, VILLAGE, OR TOWNSHIP AND THE INTEREST ON AND INCOME  
25 FROM THE MUNICIPAL SECURITIES ARE EXEMPT FROM TAXATION BY THIS  
26 STATE OR A POLITICAL SUBDIVISION OF THIS STATE.

27 (6) THE PROCEEDS OF A MUNICIPAL SECURITY ISSUED UNDER THIS

1 SECTION MAY BE USED TO PAY THE COSTS OF ISSUANCE OF THE MUNICIPAL  
2 SECURITY. EXCEPT FOR A REFUNDING, THE PROCEEDS OF A MUNICIPAL  
3 SECURITY ISSUED UNDER THIS SECTION TO COVER UNFUNDED HEALTH CARE  
4 LIABILITY SHALL BE DEPOSITED IN A HEALTH CARE TRUST FUND, A TRUST  
5 CREATED BY THE ISSUER WHICH HAS AS ITS BENEFICIARY A HEALTH CARE  
6 TRUST FUND, OR, FOR A COUNTY, CITY, VILLAGE, OR TOWNSHIP, A  
7 RESTRICTED FUND WITHIN A TRUST THAT WOULD ONLY BE USED TO RETIRE  
8 THE MUNICIPAL SECURITIES ISSUED UNDER SUBSECTION (1) OR (3). A  
9 COUNTY, CITY, VILLAGE, OR TOWNSHIP SHALL HAVE THE POWER TO CREATE A  
10 TRUST TO CARRY OUT THE PURPOSES OF THIS SUBSECTION. THE TRUST  
11 CREATED UNDER THIS SUBSECTION SHALL INVEST ITS FUNDS IN THE SAME  
12 MANNER AS FUNDS INVESTED BY A HEALTH CARE TRUST FUND. THE TRUST  
13 CREATED UNDER THIS SUBSECTION SHALL COMPLY WITH ALL OF THE  
14 FOLLOWING:

15 (A) REPORT ITS FINANCIAL CONDITION ACCORDING TO GENERALLY  
16 ACCEPTED ACCOUNTING PRINCIPLES.

17 (B) BE TAX-EXEMPT UNDER THE INTERNAL REVENUE CODE.

18 (7) A COUNTY, CITY, VILLAGE, OR TOWNSHIP ISSUING MUNICIPAL  
19 SECURITIES UNDER THIS SECTION MAY ENTER INTO INDENTURES OR OTHER  
20 AGREEMENTS WITH TRUSTEES AND ESCROW AGENTS FOR THE ISSUANCE,  
21 ADMINISTRATION, OR PAYMENT OF THE MUNICIPAL SECURITIES.

22 (8) BEFORE A COUNTY, CITY, VILLAGE, OR TOWNSHIP ISSUES A  
23 MUNICIPAL SECURITY UNDER THIS SECTION, THE COUNTY, CITY, VILLAGE,  
24 OR TOWNSHIP SHALL OBTAIN THE APPROVAL OF THE DEPARTMENT.

25 (9) IF A COUNTY, CITY, VILLAGE, OR TOWNSHIP HAS ISSUED A  
26 MUNICIPAL SECURITY UNDER THIS SECTION, THAT COUNTY, CITY, VILLAGE,  
27 OR TOWNSHIP SHALL NOT CHANGE THE BENEFIT STRUCTURE OF THE DEFINED

1 BENEFIT PLAN IF THE DEFINED BENEFIT PLAN IS UNDERGOING THE PARTIAL  
2 CESSATION OF ACCRUALS. HOWEVER, A COUNTY, CITY, VILLAGE, OR  
3 TOWNSHIP MAY REDUCE BENEFITS OF THE DEFINED BENEFIT PLAN FOR YEARS  
4 OF SERVICE THAT ACCRUE AFTER THE ISSUANCE OF MUNICIPAL SECURITIES  
5 UNDER THIS SECTION.

6 (10) A COUNTY, CITY, VILLAGE, OR TOWNSHIP SHALL NOT ISSUE A  
7 MUNICIPAL SECURITY UNDER SUBSECTION (1) OR (2) UNLESS THE COUNTY,  
8 CITY, VILLAGE, OR TOWNSHIP HAS BEEN ASSIGNED A CREDIT RATING WITHIN  
9 THE CATEGORY OF AA OR HIGHER OR THE EQUIVALENT BY AT LEAST 1  
10 NATIONALLY RECOGNIZED RATING AGENCY.

11 (11) A COUNTY, CITY, VILLAGE, OR TOWNSHIP THAT ISSUES A  
12 MUNICIPAL SECURITY UNDER SUBSECTION (1) SHALL COVENANT WITH THE  
13 HOLDERS OF THE MUNICIPAL SECURITY AND THIS STATE THAT IT WILL NOT,  
14 AFTER THE ISSUANCE OF THE MUNICIPAL SECURITY AND WHILE THE  
15 MUNICIPAL SECURITY IS OUTSTANDING, RESCIND WHATEVER ACTION IT HAS  
16 TAKEN TO MAKE A PARTIAL OR COMPLETE CESSATION OF ACCRUALS TO A  
17 DEFINED BENEFIT PLAN OR THE CLOSURE OF THE DEFINED BENEFIT PLAN FOR  
18 NEW OR EXISTING EMPLOYEES.