

# SENATE BILL No. 1054

June 7, 2018, Introduced by Senators BRANDENBURG, NOFS, JONES, EMMONS, MARLEAU, BIEDA, HANSEN, HUNE, PROOS, ROBERTSON and PAVLOV and referred to the Committee on Appropriations.

A bill to amend 2001 PA 34, entitled  
"Revised municipal finance act,"  
by amending section 309 (MCL 141.2309).

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 309. (1) ~~A municipality may sell an authorized municipal~~  
2 ~~security at a competitive sale or a negotiated sale EXCEPT AS~~  
3 OTHERWISE PROVIDED IN THIS SECTION, A MUNICIPALITY MUST SELL  
4 AUTHORIZED MUNICIPAL SECURITIES AT A PUBLIC SALE. IF A MUNICIPAL  
5 SECURITY IS IN AN AMOUNT LESS THAN \$500,000.00, THE MUNICIPALITY  
6 MAY SELL THAT MUNICIPAL SECURITY AT A PRIVATE SALE as determined in  
7 the authorizing resolution.

8       (2) If a municipality determines to sell a municipal security  
9 at a ~~negotiated~~ PRIVATE sale AS PROVIDED IN SUBSECTION (1), the

governing body shall expressly state the method and reasons for choosing a ~~negotiated-PRIVATE~~ sale instead of a ~~competitive-PUBLIC~~ sale in the resolution or ordinance authorizing the issuance or sale of the municipal security.

(3) ~~(2)~~—If a municipality determines to sell a municipal security at a ~~competitive-PUBLIC~~ sale, the municipality shall publish a notice of sale at least 7 days before the date set for the sale, in a publication printed in the English language and circulated in this state that carries as a part of its regular service the notices of the sale of municipal securities.

(4) ~~(3)~~—A municipality shall award a municipal security sold at a ~~competitive-PUBLIC~~ sale to the bidder whose bid meets all specifications and requirements and results in the lowest interest cost to the municipality, unless all bids are rejected.

(5) IF THE MUNICIPALITY HAS RECEIVED A BID OR BIDS AT THE TIME FIXED FOR PUBLIC SALE WHICH IS REJECTED BY THE GOVERNING BODY, THEN THE MUNICIPAL SECURITY MAY BE SOLD AT PRIVATE SALE WITHIN 30 DAYS THEREAFTER AT A PRICE NOT LESS THAN THE HIGHEST BID RECEIVED AT THE PUBLIC OFFERING, OR IF THE MUNICIPALITY HAS OFFERED THE MUNICIPAL SECURITY AT 2 PUBLIC OFFERINGS AND HAS NOT RECEIVED ANY BID OR A BID SATISFACTORY AT THE SECOND PUBLIC OFFERING TO THE GOVERNING BODY, THEN THE MUNICIPAL SECURITY MAY BE SOLD AT A PRIVATE SALE WITHIN 30 DAYS AFTER THE LAST PUBLIC OFFERING AT A PRICE NOT LESS THAN THE HIGHEST BID, IF ANY, RECEIVED AT THE LAST PUBLIC OFFERING.

(6) ~~(4)~~—A municipality may accept bids for the purchase of a municipal security made in person, by mail, by facsimile, by electronic means, or by any other means authorized by the

1 municipality.