

EMPLOYMENT SECURITY FINANCING ACT (EXCERPT)
Act 267 of 2011

12.272 Definitions.

Sec. 2. As used in this act:

(a) "Ancillary facility" means any revolving credit agreement, agreement establishing a line of credit, or letter of credit; reimbursement agreement; interest rate exchange or similar agreement; currency exchange agreement; commodity exchange agreement; interest rate floor or cap; option, put, call, or similar agreement to hedge payment, currency, commodity, rate, spread, or similar exposure; investment agreement; float agreement; forward agreement or other investment arrangement; insurance contract; surety bond; commitment to purchase or sell securities; purchase or sale agreement or commitment; or other contract or agreement or other security agreement approved by the authority under this act, including without limitation any arrangement referred to in this act.

(b) "Authority" means the Michigan finance authority created by Executive Reorganization Order No. 2010-2, MCL 12.194.

(c) "Board" means the board of directors of the authority.

(d) "Bond" means a bond, note, financial instrument, or other evidence of indebtedness or obligation issued by the authority under this act.

(e) "Director" means director of the department of licensing and regulatory affairs, or his or her designee.

(f) "Financing costs" means all capitalized interest; operating and debt service reserves; costs of issuance; fees for credit and liquidity enhancements; any item of expense directly or indirectly payable or reimbursable by the authority and related to the authorization, sale, or issuance of bonds, including without limitation underwriting fees, counsel fees, fees of the attorney general, and fees and expenses of consultants, advisors, fiduciaries, and rating agencies; and other costs as the authority determines to be desirable in issuing, securing, and marketing and remarketing the bonds.

(g) "Interest rate exchange or similar agreement" means a written contract with a counterparty to provide for an exchange of payments based upon fixed or variable interest rates or on both fixed and variable interest rates relating to bonds issued under this act.

(h) "Operating expenses" means the reasonable operating expenses of the authority under this act, including without limitation the cost of preparation of accounting and other reports; costs of maintaining the ratings on the bonds; bond insurance premiums; costs of authority meetings or other required activities of the authority under this act; counsel fees, including the fees of the attorney general; fees and expenses incurred for consultants, advisors, and fiduciaries relating to bonds or activities of the authority authorized by this act; and any other costs arising from activities authorized in section 8(2).

(i) "Outstanding" means with respect to bonds, all bonds except those that have been paid in full at maturity or that are not outstanding under the terms of the applicable authority resolution, trust indenture, or trust agreement authorizing the issuance of the bonds. With respect to ancillary facilities, outstanding means all ancillary facilities except those that have been paid in full or that are not outstanding under the terms of those ancillary facilities.

(j) "Person" means an individual, corporation, limited or general partnership, association, joint venture, limited liability company, or a governmental entity, including this state.

(k) "State treasurer" means the state treasurer of this state or his or her designee, if the designee is authorized to exercise delegated signatory power for purposes of this act in a written instrument signed by the state treasurer and maintained in a permanent file.

History: 2011, Act 267, Imd. Eff. Dec. 19, 2011.

Compiler's note: Enacting section 1 of Act 267 of 2011 provides:

"Enacting section 1. The legislature finds and declares all of the following:

(a) It is an essential governmental function to maintain funds in an amount sufficient to pay unemployment benefits when due.

(b) At the time of the enactment of this act, unemployment benefits payments are made from Michigan's account in the unemployment trust fund of the United States treasury and are funded by employer contributions.

(c) At the time of the enactment of this act, borrowing from the federal government through loans from the federal unemployment trust fund is the only option available to obtain sufficient funds to pay benefits when the balance in Michigan's account in the unemployment trust fund of the United States treasury is insufficient to make necessary payments.

(d) Alternative methods of replenishing this state's account in the unemployment trust fund of the United States treasury may reduce the costs of providing unemployment benefits and employers' cost of doing business in the state.

(e) It is in this state's best interests to authorize the issuance of bonds when appropriate for the purpose of continuing the unemployment insurance program at the lowest possible cost to this state and employers in this state and to avoid reductions in the employer unemployment tax credit.

(f) Execution by the authority of its powers granted under this act fulfill in all respects an essential governmental function and public purpose for the benefit of and in furtherance of the public health and welfare of the people of this state."

Enacting section 2 of Act 267 of 2011 provides:

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"Enacting section 2. The legislature determines that the creation of the authority by Executive Reorganization Order No. 2010-2, MCL 12.194, and the carrying out of its authorized purposes under this act are in all respects public and governmental purposes for the benefit of the people of this state and for the improvement of their health, safety, welfare, comfort, and security, and that these purposes are public purposes and that the authority will be performing an essential governmental function in the exercise of the powers conferred upon it by this act."

For the transfer of powers and duties of the department of licensing and regulatory affairs and the powers and duties of the director of the department of licensing and regulatory affairs to the department of labor and economic opportunity, see E.R.O. No. 2019-3, compiled at MCL 125.1998.