

STATE BRIDGE COMMISSION; PUBLIC WORKS (EXCERPT)
Act 147 of 1935

254.158 Revenue bonds for public works; sale, notice; signature; report to administrative board.

Sec. 8. Revenue bonds. The commission is hereby authorized to provide by resolution for the issuance of revenue bonds of the state (A) for the purpose of paying the cost as hereinabove defined of any 1 or more public works which said commission is authorized by this act to acquire or construct, which resolution shall recite an estimate of such cost, or (B) to refund any revenue bonds, heretofore or hereafter issued under the provisions of this act, not earlier than 1 year prior to either the date of maturity of such revenue bonds or the date upon which they may be redeemed prior to maturity, or at any time, upon the surrender for payment of at least an equal par amount of revenue bonds authorized by said resolution to be refunded: Provided, That any issue of such refunding bonds shall not exceed the total par amount of outstanding revenue bonds, less any available funds and sinking fund balances. Such refunding bonds shall be sold to the highest bidder upon sealed bids, the same to be publicly opened by the commission. No bid shall be accepted by the commission except upon the express approval of the state treasurer. Highest bidder is hereby defined as the person, firm or corporation submitting a proposal which shall effect the greatest saving of interest upon the bonds refunded. Notice of such sale shall be published at least 7 days prior to the day of opening bids in the Michigan Investor, the Bond Buyer and such other financial journals as the commission may deem advisable. No sale of such refunding bonds shall be made at a figure of less than that required to redeem and pay the bonds refunded and effect a net saving of at least $\frac{1}{2}$ of 1% upon the bonds refunded. The principal and interest of such bonds shall be payable solely from the special fund herein provided for such payment. Such revenue bonds shall bear interest at not more than 6 per centum per annum, payable semi-annually, and shall mature at such time or times not more than 40 years from their date or dates as may be fixed by such resolution. All such revenue bonds may be made redeemable before maturity at the option of the commission at such price or prices and under such terms and conditions as may be fixed by the commission prior to the issuance of the bonds. The principal and interest of such revenue bonds may be made payable in any lawful medium. The commission shall determine the form of the bonds and the interest coupons to be attached thereto and shall fix the denomination or denominations of the bonds and the place or places of payment of principal and interest thereof, which may be at any bank or trust company within or without the state. Revenue bonds issued by the commission shall be signed by the governor and by the chairman of the commission, under the great seal of the state, attested by the secretary of state, and the coupons attached thereto shall bear the facsimile signature of said chairman of the commission. Any refunding bonds issued shall be signed solely by the chairman and the secretary of the commission, under the seal of the commission. All bonds issued under this act shall contain a statement on their face that the state shall not be obligated to pay the same or the interest thereon except from the revenues of the works. In case any of the officers whose signatures appear on the bonds and coupons shall cease to be such officers before the delivery of such bonds, such signatures shall nevertheless be valid and sufficient for all purposes the same as if they had remained in office until such delivery. All such revenue bonds shall have and are hereby declared to have all the qualities and incidents of negotiable instruments under the negotiable instruments law of the state. Such bonds shall be exempt from all taxation, state, county and municipal, and unless otherwise provided by law, shall be lawful investments in the same manner and to the same extent as other bonds of the state. Provision may be made for the registration of any of the bonds in the name of the owner as to principal alone or as to both principal and interest. The commission may sell such bonds in such manner and for such price as it may determine to be for the best interests of the state, taking into consideration the financial responsibility of the purchaser and the terms and conditions of the purchase, and especially the availability of the proceeds of the bonds when required for payment of the cost of the works, but no such sale shall be made at a price so low as to require the payment of more than 6 per cent interest on the money received therefor, computed with relation to the absolute maturity of the bonds in accordance with standard tables of bond values. The proceeds of such bonds shall be used solely for the payment of the cost of the works, or, in the case of refunding bonds, for the payment of the revenue bonds refunded, and shall be checked out in such manner and under such restrictions, if any, as the commission may provide. If the proceeds of the revenue bonds, by error of calculation or otherwise, shall be less than the cost of the works, additional bonds may in like manner be issued to provide the amount of such deficit and, unless otherwise provided in the trust indenture hereinafter mentioned, shall be deemed to be of the same issue and shall be entitled to payment from the same fund, without preference or priority of the bonds first issued for the same works. If the proceeds of bonds issued for any such works shall exceed the cost thereof, the surplus shall be paid into the fund hereinafter provided for the payment of principal and interest of such bonds. Prior to the preparation of definitive bonds, the commission may under like restrictions issue

temporary bonds with or without coupons, exchangeable for definitive bonds upon the issuance of the latter. Such revenue bonds may be issued without any other proceedings or the happening of any other conditions or things than those proceedings, conditions and things which are specified and required by this act or by the constitution of the state. In the discretion of the commission revenue bonds of a single issue may be issued for the purpose of paying the cost of any 1 or more public works, whether of the same class or 2 or more classes.

A report shall be made by the commission to the state administrative board on or before the fifteenth day of January, fifteenth day of April, fifteenth day of July, fifteenth day of October of each year, which report shall state the receipts and disbursements during the preceding quarter, and shall contain such further information as the state administrative board shall require.

History: 1935, Act 147, Imd. Eff. June 4, 1935;—Am. 1945, Act 63, Imd. Eff. Mar. 28, 1945;—CL 1948, 254.158.