

MICHIGAN STRATEGIC FUND ACT (EXCERPT)
Act 270 of 1984

CHAPTER 4

125.2041 "Public work" defined.

Sec. 41. As used in this chapter, "public work" means the acquisition, construction, or improvement of public works; the acquisition of easements necessary for the public works; the acquisition of real and personal property and interests in real and personal property which are necessary for the public works; and the demolition of structures, site preparation, relocation costs, building rehabilitation and administrative costs, including, but not limited to, the cost of technical and economic feasibility studies or architectural, engineering, legal, and accounting fees, which are necessary for the public works.

History: 1984, Act 270, Eff. Mar. 29, 1985.

Popular name: Strategic Fund

125.2042 Center for assistance to local government; establishment and operation.

Sec. 42. The fund shall establish and operate a center for assistance to local government.

History: 1984, Act 270, Eff. Mar. 29, 1985.

Compiler's note: For transfer of the Michigan strategic fund from department of treasury to department of talent and economic development, and transfer of powers and duties of board of directors of Michigan strategic fund to new board of directors, see E.R.O. No. 2014-6, compiled at MCL 125.1995.

Popular name: Strategic Fund

125.2043 Local government assistance account; payments into account; transfer of money.

Sec. 43. (1) The center for assistance to local government shall be funded by an account, which shall be established and managed by the fund, to be known as the local government assistance account.

(2) The fund shall pay into the account any money appropriated or otherwise provided by this state for the purposes of the center; any money determined by the fund to be paid into the account from the economic development fund to which the fund succeeded in ownership pursuant to section 22; any money which the fund receives in repayment of loans made through the center for assistance to local government; and any other money made available to the fund for the purposes of the center from any other source, public or private.

(3) Money in the local government assistance account may be transferred into any other account established by the fund, unless the fund is otherwise obligated to retain the money in the local government assistance account or except if the money was appropriated by this state for the purposes of the center.

History: 1984, Act 270, Eff. Mar. 29, 1985.

Popular name: Strategic Fund

125.2044 Utilization of money; purposes.

Sec. 44. Subject to the limitations provided by this chapter, the fund may utilize money held in the local government assistance account for 1 or more of the following purposes:

- (a) To make loans to a municipality.
- (b) To establish a reserve fund to insure or guarantee borrowings of a municipality.

History: 1984, Act 270, Eff. Mar. 29, 1985.

Popular name: Strategic Fund

125.2045 Loans, loan insurance, or guarantees; requirements.

Sec. 45. Loans, loan insurance, or guarantees provided pursuant to section 44 shall be made only for public works which will assist an economic development project, including those portions of an endeavor devoted to the sale of goods at retail or housing if these portions are inseparable from the economic development project and the public work also assists those portions of the endeavor qualified as an economic development project, which has the potential of creating new jobs or retaining current jobs within this state and which is consistent with the purposes and objectives of the fund.

History: 1984, Act 270, Eff. Mar. 29, 1985.

Popular name: Strategic Fund

125.2046 Loans, loan insurance, or guarantees; limitation; lawful public improvement; prohibition; application.

Sec. 46. (1) A loan, loan insurance, or a loan guarantee shall be provided pursuant to section 44 only for public works.

(2) A public work financed in whole or in part pursuant to section 44 shall be a public improvement which the municipality is empowered to provide for the public under law or its charter. However, a public work shall not include public systems of mass transportation that involve solely the transportation of individuals.

(3) A municipality shall apply for a loan, loan insurance, or loan guarantee pursuant to section 44 either in conjunction with any application the economic development project may make to the fund or with an affidavit of the economic development project attesting to the manner in which the public work will assist the economic development project.

History: 1984, Act 270, Eff. Mar. 29, 1985.

Popular name: Strategic Fund

125.2047 Borrowing or contracting for loan insurance and loan guarantees; debt limitation; approval; certain acts inapplicable.

Sec. 47. A municipality is hereby authorized to borrow or contract for loan insurance and loan guarantees from the fund pursuant to this act, notwithstanding any charter provision to the contrary, or other provision of law. Any amount borrowed by a municipality pursuant to this act shall not be included in, or charged against, any statutory or charter debt limitation of the municipality. A municipality shall not be required to seek or obtain the approval of the electors to borrow money pursuant to this act. The borrowing shall not be subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821, nor to section 5(g) of the home rule city act, 1909 PA 279, MCL 117.5.

History: 1984, Act 270, Eff. Mar. 29, 1985;—Am. 2002, Act 556, Imd. Eff. July 26, 2002.

Popular name: Strategic Fund

125.2048 Loans, loan insurance, or loan guarantees; terms and conditions.

Sec. 48. Loans, loan insurance, or loan guarantees provided from the local government assistance account may be on such terms and conditions as the fund, in its sole discretion, determines to be reasonable, appropriate, and consistent with the purposes and objectives of the fund and this chapter.

History: 1984, Act 270, Eff. Mar. 29, 1985.

Popular name: Strategic Fund

125.2049 Loans, loan insurance, or loan guarantees; conditions.

Sec. 49. A loan, loan insurance, or loan guarantee shall not be provided from the local government assistance account unless it is for a public work which will assist an economic development project and unless the fund finds that there is significant private sector financial support associated with the economic development project.

History: 1984, Act 270, Eff. Mar. 29, 1985.

Popular name: Strategic Fund

125.2049a Paramount priority.

Sec. 49a. The fund shall give paramount priority in providing loans, loan insurance, and loan guarantees from the local government assistance account to municipalities whose past borrowing practices evidence the ability and commitment to make timely payment of principal and interest installments for its obligations and for public works which assist economic development projects which have the greatest potential for creating new jobs or retaining current jobs within this state.

History: 1984, Act 270, Eff. Mar. 29, 1985.

Popular name: Strategic Fund