

MICHIGAN BROADBAND DEVELOPMENT AUTHORITY ACT (EXCERPT)
Act 49 of 2002

484.3210 Notes and bonds; issuance, renewal, and refund by authority.

Sec. 10. (1) The authority may issue notes and bonds as provided under this act to do all of the following:

(a) Pay the development costs associated with acquiring, leasing, constructing, maintaining, and operating the broadband infrastructure.

(b) Make loans to persons for development costs.

(c) Make loans to persons to make purchases related to the broadband infrastructure.

(d) Make loans to persons to refinance existing debt of the authority or other persons incurred in connection with the acquisition or development of technology that constitutes a part of or is related to the broadband infrastructure.

(e) Pay the interest on bonds and notes of the authority.

(f) Establish reserves to secure the bonds and notes of the authority.

(g) Make other expenditures necessary to carry out the authority's duties under this act, including the payment of the authority's operating expenses.

(2) The authority may issue renewal notes, issue bonds to pay notes, and refund bonds by the issuance of new bonds, whether or not the bonds to be refunded have matured. The refunding bonds shall be sold and the proceeds applied to the purchase, redemption, or payment of the bonds to be refunded. The authority may issue instruments separate from the obligations described in this subsection that establish a contractual right in the holder of the instrument to require mandatory tender for purchase of the obligations to which the instrument applies for a period of time and subject to provisions as the authority may determine.

(3) Except as otherwise provided by the authority or this act, every note or bond issue of the authority shall be a general obligation of the authority payable out of revenues or money of the authority, subject only to agreements with the holders of particular notes or bonds pledging any particular receipts or revenues.

(4) Whether or not the notes or bonds are of a form or character as to be negotiable instruments, the notes or bonds are negotiable instruments within the meaning of the uniform commercial code, 1962 PA 174, MCL 440.1101 to 440.11102.

History: 2002, Act 49, Imd. Eff. Mar. 14, 2002.

Compiler's note: For transfer of powers and duties of Michigan broadband development authority from department of treasury to department of labor and economic growth by Type I transfer, see E.R.O. No. 2003-1, compiled at MCL 445.2011.