

**SUBSTITUTE FOR
SENATE BILL NO. 1084**

A bill to amend 1976 PA 448, entitled
"Michigan energy employment act of 1976,"
by amending section 42 (MCL 460.842), as amended by 1983 PA 120.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 42. (1) A joint agency may issue bonds to pay all or
2 part of project costs ~~or to refund all or any part of the out-~~
3 ~~standing bonds or notes~~ of the joint agency. The bonds shall be
4 payable from and may be issued in anticipation of payment of the
5 proceeds of any of the methods of financing described in section
6 41 or elsewhere in this act or as may be provided by law. A
7 member municipality of the joint agency may contract as provided
8 in section 43 or may contract to make payments, appropriations,
9 or contributions to the joint agency of the proceeds of taxes,
10 special assessments, or charges imposed and collected by the
11 member municipality or out of other funds legally available, and

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1 may pledge its full faith and credit in support of its
2 contractual obligation to the joint agency. The contractual
3 obligation shall not constitute an indebtedness of the municipal-
4 ity within a statutory or charter debt limitation. If the joint
5 agency issues bonds in anticipation of payments, appropriations,
6 or contributions to be made to the joint agency pursuant to con-
7 tract by a political subdivision having the power to levy and
8 collect ad valorem taxes, the political subdivision may obligate
9 itself by the contract, and thereupon may levy a tax on all tax-
10 able property within the political subdivision, which tax as to
11 rate or amount will not be subject to limitation, as provided in
12 section 6 of article IX of the state constitution of 1963, for
13 contract obligations in anticipation of which bonds are issued to
14 provide sufficient ~~moneys~~ MONEY to fulfill its contractual
15 obligation to the joint agency. THE CONTRACT IS NOT SUBJECT TO
16 THE REVISED MUNICIPAL FINANCE ACT, 2001 PA 34, MCL 141.2101 TO
17 141.2821.

18 (2) The bonds may be:

19 (a) Issued for any period of years not exceeding 50.

20 ~~-(b) Serial bonds or term bonds, or a combination of both~~
21 ~~serial and term bonds.~~

22 (B) ~~-(c)~~ Issued for a consideration other than cash.

23 (C) ~~-(d)~~ For an amount ~~which~~ THAT includes interest capi-
24 talized for a period of not more than 10 years after the date of
25 the bonds.

26 ~~-(e) Sold at public or private sale, as determined by the~~
27 ~~joint agency, at a discount not to exceed 10%.~~

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1 (D) ~~(f)~~ Secured by revenues, contract payments, funds or
2 investments and securities as determined by the joint agency.

3 (3) The resolution authorizing bonds may provide for the
4 appointment of 1 or more trustees for bondholders and a trustee
5 may be an individual or corporation domiciled or located within
6 or without ~~the~~ THIS state and may be given appropriate powers
7 whether with or without the execution of an indenture.

8 (4) ~~Unless an exception from prior approval is available~~
9 ~~pursuant to subsection (7), bonds~~ BONDS issued by any joint
10 agency ~~shall be approved by the municipal finance commission or~~
11 ~~its successor agency prior to their issuance but, except as pro-~~
12 ~~vided by subsection (7), shall not otherwise be subject to the~~
13 ~~municipal finance act, Act No. 202 of the Public Acts of 1943, as~~
14 ~~amended, being sections 131.1 to 139.3 of the Michigan Compiled~~
15 ~~Laws. Before approving the issuance of the bonds the municipal~~
16 ~~finance commission or its successor agency shall determine that~~
17 ~~the amount of the proposed issue is sufficient but not excessive,~~
18 ~~that the revenue and properties pledged for the payment thereof~~
19 ~~are sufficient, and that the bonds and the proceedings authoriz-~~
20 ~~ing the same comply with this act and other applicable law.~~

21 UNDER THIS ACT ARE SUBJECT TO THE REVISED MUNICIPAL FINANCE ACT,
22 2001 PA 34, MCL 141.2101 TO 141.2821.

23 (5) A municipality ~~,~~ OR governmental unit ~~,~~ ~~private cor-~~
24 ~~poration, firm, or individual~~ may advance ~~moneys~~ MONEY or
25 deliver property to the joint agency to enable it to carry out or
26 finance any of its powers and duties. The joint agency may agree
27 to repay an advance or pay for the property within a period of

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1 not more than 10 years, from the proceeds of its bonds or from
2 other funds legally available for that purpose, with or without
3 interest as may be agreed at the time of the advance or
4 delivery. The obligation of the joint agency to make the repay-
5 ment or payment may be evidenced by contract or note, which con-
6 tract or note may pledge a source of payment determined by the
7 joint agency. ~~Unless an exception from prior approval is avail-~~
8 ~~able pursuant to subsection (7), the contract or note shall be~~
9 ~~subject to prior approval by the municipal finance commission or~~
10 ~~its successor agency.~~

11 (6) A municipality desiring to enter into a contract under
12 this section pledging the full faith and credit of the municipal-
13 ity shall authorize, by resolution of its governing body, the
14 execution of the contract. Subsequent to the adoption of the
15 resolution a notice ~~thereof~~ OF THE CONTRACT shall be published
16 in a newspaper of general publication in the municipality, which
17 notice shall state:

18 (a) That the governing body has adopted a resolution autho-
19 rizing execution of the contract.

20 (b) The purpose ~~thereof~~ OF THE CONTRACT.

21 (c) The source of payment of the municipality's contractual
22 obligation.

23 (d) The right of referendum ~~thereon~~ ON THE CONTRACT.

24 (e) ~~Such~~ ANY other information ~~as~~ THAT governing body
25 ~~shall determine~~ DETERMINES to be necessary to adequately inform
26 all interested persons of the nature of the obligation.

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1 (7) The contract may be executed and delivered by the
2 municipality upon approval by its governing body without a vote
3 of the electors, ~~thereon,~~ but the contract shall not become
4 effective until the expiration of 45 days after the date of pub-
5 lication of ~~such~~ THE notice. If within the 45-day period a
6 petition signed by at least 10% or 15,000, whichever is the
7 lesser, of the registered electors residing within the limits of
8 the municipality is filed with the clerk ~~thereof~~ OF THE
9 MUNICIPALITY requesting a referendum upon the contract, the
10 ~~same~~ CONTRACT shall not become effective until approved by the
11 vote of a majority of the electors of the municipality qualified
12 to vote and voting ~~thereon~~ ON THE QUESTION at a general or spe-
13 cial election, which election shall be held within 180 days after
14 the filing of a petition. When ~~any such~~ A contract DESCRIBED
15 IN THIS SECTION is to be entered into by any township only on
16 behalf of the unincorporated area of the township, only the reg-
17 istered electors residing within the unincorporated area of the
18 township shall be qualified to sign the petition and vote at the
19 election.

20 ~~(7) The requirement of subsections (4) and (5) for obtain-~~
21 ~~ing the prior approval of the municipal finance commission or its~~
22 ~~successor agency before issuing bonds, notes, or contracts under~~
23 ~~this section shall be subject to sections 10 and 11 of chapter~~
24 ~~III of Act No. 202 of the Public Acts of 1943, being sections~~
25 ~~133.10 and 133.11 of the Michigan Compiled Laws, and the depart-~~
26 ~~ment of treasury shall have the same authority as provided by~~
27 ~~section 11 of chapter III of Act No. 202 of the Public Acts of~~

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1 ~~1943 to issue an order providing or denying an exception from the~~
2 ~~prior approval required by subsections (4) and (5) for bonds,~~
3 ~~notes, and contracts authorized by this section.~~