

SENATE BILL No. 1174

March 5, 2002, Introduced by Senator BYRUM and referred to the Committee on Finance.

A bill to amend 1969 PA 295, entitled "Higher education facilities authority act," by amending section 6 (MCL 390.926), as amended by 1982 PA 409.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 6. (1) The authority may issue its bonds in the prin-

2 cipal amount it considers necessary to provide funds for achiev-

3 ing its purposes under this act, including the making of educa-

4 tional loans, the payment of interest on bonds of the authority

5 during construction, the establishment of reserves to secure the

6 bonds, and all other expenditures of the authority incident to

7 and necessary or convenient to carry out its purposes and

8 powers. The authority may issue refunding bonds whenever it con-

9 siders refunding expedient, whether the bonds to be refunded have

10 or have not matured. The proceeds of the refunding bonds shall

11 be applied to the purchase, redemption, or payment of the bonds

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1 refunded. Except as may otherwise be expressly provided in the
2 resolution authorizing the bonds, every issue of bonds shall be
3 general obligations of the authority to be satisfied out of any
4 revenues or money or other property of the authority, subject to
5 an agreement with the holders of particular bonds in support of
6 which particular receipts, revenues, security for educational
7 loans, or other property of the authority has been pledged or
8 mortgaged.

9 (2) Bonds issued by the authority shall be subject to this
10 act and ~~shall not be~~ ARE NOT subject to the ~~municipal finance~~
11 ~~act, Act No. 202 of the Public Acts of 1943, as amended, being~~
12 ~~sections 131.1 to 138.2 of the Michigan Compiled Laws. The bonds~~
13 ~~issued by the authority shall not be subject to the approval of~~
14 ~~the municipal finance commission.~~ REVISED MUNICIPAL FINANCE ACT,
15 2001 PA 34, MCL 141.2101 TO 141.2821.

16 (3) The bonds of the authority shall be authorized by reso-
17 lution of its members, shall be serial or term bonds, or a combi-
18 nation of serial and term bonds, shall bear the date, and shall
19 mature at the time or times, not exceeding 30 years from date of
20 issue, as the resolution may provide. The bonds shall bear
21 interest at the rate or rates, be in the denominations, be in the
22 form, either coupon, registered, or both, carry the registration
23 privileges, be executed in the manner, be payable in the medium
24 of payment at the place or places, and be subject to the terms of
25 redemption as the resolution or resolutions may provide. The
26 bonds of the authority may be sold by the authority, at public or

1 private sale, at the price or prices as the authority
2 determines.

3 (4) A pledge made by the authority in connection with the
4 issuance of bonds shall be valid and binding from the time the
5 pledge is made. The money or property ~~so~~ pledged and
6 ~~thereafter~~ SUBSEQUENTLY received by the authority shall immedi-
7 ately be subject to the lien of the pledge without a physical
8 delivery ~~thereof~~ or further act. The lien of the pledge ~~shall~~
9 ~~be~~ IS valid and binding ~~as~~ against all parties having claims
10 of any kind in tort, contract, or otherwise against the authori-
11 ty, irrespective of whether those parties have notice of the
12 lien. Neither the resolution nor any other instrument by which a
13 pledge is created need be recorded.

14 (5) THE ISSUANCE OF BONDS AND NOTES UNDER THIS ACT IS
15 SUBJECT TO THE AGENCY FINANCING REPORTING ACT.