

Act No. 126
Public Acts of 1993
Approved by the Governor
July 21, 1993
Filed with the Secretary of State
July 21, 1993

**STATE OF MICHIGAN
87TH LEGISLATURE
REGULAR SESSION OF 1993**

Introduced by Senator Schwarz

ENROLLED SENATE BILL No. 606

AN ACT to create incentives for the federal government to locate and maintain federal data facilities within this state; to create certain funds; to authorize expenditures from the funds; to authorize the issuance, use, and payment of bonds, obligations, and other evidences of indebtedness; to finance the development of facilities and of public improvements or related facilities; to provide for appropriations; to prescribe the powers and duties of certain state officials; and to repeal this act on a specific date.

The People of the State of Michigan enact:

Sec. 1. This act shall be known and may be cited as "the federal data facility act".

Sec. 2. The legislature of this state finds and declares that there exists in this state continuing need for programs to assist certain municipalities in encouraging federal data facilities development and consequent job retention and creation and ancillary economic growth within this state. In order to achieve these purposes, it is necessary to assist and encourage certain local units of government to renovate and develop data facilities for use by the federal government.

Sec. 3. As used in this act:

(a) "Develop", unless the context clearly indicates a different meaning, means to acquire, construct, improve, enlarge, renew, renovate, replace, lease, equip, furnish, and operate.

(b) "Fund" means the federal data facility fund created in section 4.

(c) "Qualified employer" means that term as defined in section 483a of the income tax act of 1967, Act No. 281 of the Public Acts of 1967, being section 206.483a of the Michigan Compiled Laws.

(d) "Qualified facility" means a federal defense data facility that existed before January 1, 1993, is owned by the federal general services administration, was scheduled to be closed by the department of defense, and that provides a supply catalog system and a supply standardization program for the department of defense and services ancillary to any of these functions.

(e) "Qualified local unit of government" means a city in which a qualified facility is located or, at the election of that city, an authority created pursuant to state law by that city, or a county in which that city is located, and authorized by law to issue bonds to develop a qualified facility.

Sec. 4. The federal data facility fund is created within the department of treasury. The state treasurer shall credit funds from the following sources to the fund:

(a) Funds paid to the fund pursuant to section 483a of the income tax act of 1967, Act No. 281 of the Public Acts of 1967, being section 206.483a of the Michigan Compiled Laws.

(b) Funds from any other source provided by law.

(c) Interest earnings on deposits in the fund that accrue interest as a participating fund of the state's common cash fund.

Sec. 5. Money from the fund shall be distributed to a qualified local unit of government for any of the following purposes:

(a) To develop a qualified facility or develop public improvements or facilities related to the qualified facility.

(b) To pay principal, interest, and premium, if any, due in the state fiscal year on bonds, obligations, or other evidences of indebtedness issued to develop a qualified facility or develop public improvements or facilities related to the qualified facility, plus any amount necessary to maintain a fully funded debt reserve or other reserve intended to secure the principal and interest on the bonds, obligations, or other evidences of indebtedness issued to develop a qualified facility or develop public improvements or facilities related to the qualified facility.

Sec. 6. (1) On or before the fifteenth day of each month, the state treasurer shall make a distribution from the fund to a qualified local unit of government in an amount equal to the funds credited to the fund in the immediately preceding calendar month.

(2) If distributions for any state fiscal year to any qualified local unit of government exceed the amount of expenditures by that qualified local unit of government in that state fiscal year for purposes eligible for a distribution under section 5, the excess amount shall be deposited in a debt retirement account that shall be used to retire the bonds, obligations, or other evidences of indebtedness issued to develop a qualified facility or develop public improvements or facilities related to the qualified facility.

Sec. 7. (1) A qualified local unit of government may assign or pledge all or a portion of the funds that it receives under this act for the payment of bonds, obligations, or other evidences of indebtedness issued to develop a qualified facility or develop public improvements or facilities related to the qualified facility.

(2) If a qualified local unit of government assigns or pledges all or a portion of the funds it receives under this act, the state treasurer may transmit to the duly appointed trustee for the bonds, obligations, or other evidences of indebtedness, if any, the payment of the distribution that is assigned or pledged by the qualified local unit of government.

(3) Any pledge of the distributions made under this act shall be effective, valid, and binding from the time the pledge is made. The pledged distributions received shall be immediately subject to the lien of the pledge, whether or not there has been physical delivery. The lien of any pledge shall be binding against all parties having claims of any kind in tort, contract, or otherwise against any person receiving the distributions, whether or not the parties have notice of the pledge. The ordinance, the resolution, or any other instrument of the qualified local unit of government by which a pledge of the proceeds of the tax imposed pursuant to this act is created is not required to be filed or recorded except in the records of the qualified local unit of government.

(4) Distributions pledged pursuant to this section shall be held by the state in trust for the persons to whom the distributions are pledged until transferred. Until the pledge is satisfied, the funds pledged shall be exempt from being levied upon, taken, sequestered, or applied toward paying debts or liabilities of the qualified local unit of government other than the debt or liability to which the funds are pledged.

Sec. 8. Each qualified local unit of government shall not receive more than its proportionate share of the fund based on contributions made to the fund by a qualified employer located in that qualified local unit of government.

Sec. 9. The powers conferred in this act upon any qualified local unit of government shall be in addition to any other powers the qualified local unit of government shall possess by charter or statute.

Sec. 10. The legislature shall appropriate each year from the federal data facility fund an amount sufficient to make the distributions required under section 6.

Sec. 11. Except as otherwise provided in this section, this act shall take effect on January 1, 1994. This act shall not take effect if either of the following occurs before January 1, 1994:

(a) The qualified facility is on the final list of base or facility closures submitted by the defense base realignment and closure commission (BRAC) to the president of the United States.

(b) The qualified facility is on the list of base or facility closures submitted by the president of the United States to congress.

This act is ordered to take immediate effect.

Secretary of the Senate.

Co-Clerk of the House of Representatives.

Approved -----

Governor.