

SENATE BILL No. 1302

May 7, 2002, Introduced by Senator EMMONS and referred to the Committee on Finance.

A bill to amend 2001 PA 34, entitled
"Revised municipal finance act,"
by amending sections 105, 303, 319, 517, 701, and 809
(MCL 141.2105, 141.2303, 141.2319, 141.2517, 141.2701, and
141.2809) and by adding sections 304 and 802; and to repeal acts
and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 105. A municipal security does not include any of the
2 following:

3 (a) A contract for the purchase of real or personal
4 property.

5 (b) A contract for the lease of real or personal property
6 with or without an option to purchase.

7 (c) A contract, lease, note, or other security given in
8 connection with a contract described in subdivision (a) or (b).

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1 (d) A security that is evidence of an emergency loan under
2 section 1 of 1855 PA 105, MCL 21.141, in conjunction with the
3 emergency municipal loan act, 1980 PA 243, MCL 141.931 to
4 141.942, or qualified agricultural loans under section 2a of 1855
5 PA 105, MCL 21.142a.

6 (e) A mortgage secured by real property and its correspond-
7 ing security to the extent secured by the mortgage.

8 (F) A CONTRACT BETWEEN 1 OR MORE MUNICIPALITIES UNDER WHOSE
9 TERMS 1 OR MORE MUNICIPALITIES PLEDGE THEIR REVENUES OR FULL
10 FAITH AND CREDIT TO SECURE PAYMENT OF A PROPOSED MUNICIPAL SECUR-
11 ITY ISSUED BY 1 OF THE MUNICIPALITIES.

12 Sec. 303. (1) Each municipality shall file an audit report
13 annually with the department within 6 months from the end of its
14 fiscal year or as otherwise provided in the uniform budgeting and
15 accounting act, 1968 PA 2, MCL 141.421 to 141.440a.

16 (2) Accompanying the audit report described in subsection
17 (1), a municipality shall file a qualifying statement, on a form
18 and in the manner provided by the department, which shall be cer-
19 tified by the chief administrative officer. Within 30 business
20 days of the receipt of the qualifying statement, the department
21 shall determine if the municipality complies with the require-
22 ments of subsection (3). If the department determines that the
23 municipality complies with the provisions of subsection (3) or if
24 the department fails to notify the municipality of its determina-
25 tion under this subsection within 30 business days of receipt of
26 the qualifying statement, the municipality may proceed to issue
27 municipal securities under this act without further approval from

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1 the department until 30 business days after the next qualifying
2 statement is due or a new determination is made by the depart-
3 ment, whichever occurs first.

4 (3) To qualify to issue municipal securities without further
5 approval from the department, the municipality shall be in mate-
6 rial compliance with all of the following requirements, as deter-
7 mined by the department:

8 (a) The municipality is not operating under the provisions
9 of the local government fiscal responsibility act, 1990 PA 72,
10 MCL 141.1201 to 141.1291.

11 (b) The municipality did not issue securities in the immedi-
12 ately preceding 5 fiscal years or current fiscal year that were
13 authorized by either the emergency municipal loan act, 1980
14 PA 243, MCL 141.931 to 141.942, other than a security issued for
15 a loan authorized under section 3(2)(a) of the emergency munici-
16 pal loan act, 1980 PA 243, MCL 141.933, or the fiscal stabiliza-
17 tion act, 1981 PA 80, MCL 141.1001 to 141.1011.

18 (c) The municipality was not required by the terms of a
19 court order or judgment to levy a tax in the preceding fiscal
20 year. For purposes of this subdivision, the department may
21 determine that a court order or judgment to levy a tax is not
22 material if it did not have an adverse financial impact on the
23 municipality.

24 (d) The most recent audit report, as required by the uniform
25 ~~budget~~ BUDGETING and accounting act, 1968 PA 2, MCL 141.421 to
26 141.440a, was filed with the department within 6 months from the
27 end of the fiscal year of the municipality.

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1 (e) The debt retirement fund balance for any municipal
2 security that is funded from an unlimited tax levy does not
3 exceed 150% of the amount required for principal and interest
4 payments due for that municipal security in the next fiscal
5 year.

6 (f) The municipality is not currently exceeding its statu-
7 tory or constitutional debt limits.

8 (g) The municipality has no outstanding securities that were
9 not authorized by statute.

10 (h) The municipality is not currently and during the preced-
11 ing fiscal year was not in violation of any provisions in the
12 covenants for an outstanding security.

13 (i) The municipality was not delinquent more than 1 time in
14 the preceding fiscal year in transferring employee taxes withheld
15 to the appropriate agency, transferring taxes collected as agent
16 for another taxing entity to that taxing unit, or making all
17 required pension, retirement, or benefit plan contributions.

18 (j) The most recent delinquent property taxes of the munici-
19 pality, without regard to payments received from the county under
20 the general property tax act, 1893 PA 206, MCL 211.1 to 211.157,
21 did not exceed 18% of the amount levied.

22 (k) The municipality did not submit a qualifying statement
23 or an application for any other municipal security in the preced-
24 ing 12 months that was materially false or incorrect.

25 (l) The municipality is not in default on the payment of any
26 debt, excluding industrial development revenue bonds issued under
27 the industrial development revenue bond act of 1963, 1963 PA 62,

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1 MCL 125.1251 to 125.1267, economic development corporation bonds
2 issued under the economic development corporations act, 1974
3 PA 338, MCL 125.1601 to 125.1636, bonds issued by a local hospi-
4 tal finance authority for a private hospital under the hospital
5 finance authority act, 1969 PA 38, MCL 331.31 to 331.84, or any
6 other debt for which the municipality is not financially liable.

7 (m) The municipality did not end the immediately preceding
8 fiscal year with a deficit in any fund, unless the municipality
9 has filed a financial plan to correct that deficit condition
10 ~~under section 21 of the Glenn Steil state revenue sharing act of~~
11 ~~1971, 1971 PA 140, MCL 141.921,~~ that is acceptable to the
12 department.

13 (n) The municipality has not been found by a court of compe-
14 tent jurisdiction to be in violation of any finance or
15 tax-related state or federal statutes during the preceding fiscal
16 year.

17 (o) The municipality has not been determined by the depart-
18 ment to be in violation of this act during the preceding fiscal
19 year.

20 (p) The municipality did not issue a refunding security in
21 the preceding fiscal year to avoid a potential default on an out-
22 standing security.

23 (4) If a municipality is notified within 30 business days of
24 the filing of the qualifying statement that it does not comply
25 with 1 or more of the requirements of subsection (3), the munici-
26 pality may correct the noncompliant requirements and request a

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1 reconsideration of the determination from the department as
2 provided in subsection (5).

3 (5) A municipality may request a reconsideration of the
4 determination from the department. That request shall indicate
5 the requirements that the department determined the municipality
6 to be not in compliance with and the action taken by the munici-
7 pality to correct the noncompliance. Within 30 business days of
8 the receipt of the request for reconsideration, the department
9 shall determine if the municipality complies with the require-
10 ments of subsection (3) or, if the department fails to notify the
11 municipality of its determination under this subsection within 30
12 business days of receipt of the request for reconsideration, the
13 municipality will be granted qualified status.

14 (6) If a municipality is notified within 30 business days
15 after filing a request for reconsideration that it does not
16 comply with the requirements of subsection (3), the municipality
17 shall not issue municipal securities under this act without the
18 prior written approval of the department to issue a municipal
19 security as provided in subsections (7) and (8).

20 (7) If a municipality has not been granted qualified status,
21 the municipality must obtain, for each municipal security, the
22 prior written approval of the department to issue a municipal
23 security. To request prior written approval to issue a municipal
24 security, the municipality shall submit an application and sup-
25 porting documentation to the department on a form and in a manner
26 prescribed by the department, which shall be certified by the
27 chief administrative officer. A filing fee equal to 0.03% of the

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1 principal amount of the municipal security to be issued, but not
2 less than \$800.00 and not greater than \$2,000.00 as determined by
3 the department, shall accompany each application. If the quali-
4 fying statement required by ~~section 303(2)~~ SUBSECTION (2) was
5 received by the department more than 6 months after the end of
6 the municipality's fiscal year, a late fee of \$100.00 shall
7 accompany the first application filed after that date. Within 30
8 business days of receiving an application, the fee, and support-
9 ing documentation from a municipality, the department shall make
10 a determination whether the municipality has met all of the fol-
11 lowing requirements:

12 (a) Has indicated the authority to issue the municipal
13 security requested.

14 (b) Is projected to be able to repay the municipal security
15 when due.

16 (c) Has filed information with the department indicating
17 compliance with the requirements of subsection (3) or adequately
18 addressed any noncompliance with subsection (3) as determined by
19 the department.

20 (d) If required by the department, has obtained an invest-
21 ment grade rating for the municipal security or has purchased
22 insurance for payment of the principal and interest on the munic-
23 ipal security to the holders of the municipal security, or has
24 otherwise enhanced the creditworthiness of the municipal
25 security.

26 (8) If the department determines that the requirements in
27 subsection (7) have been met, the department shall approve the

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1 issuance of the proposed municipal security. If the department
2 determines that the requirements in subsection (7) have not been
3 met, the department shall issue a notice of deficiency to the
4 municipality that prevents the issuance of the proposed municipal
5 security. The notice of deficiency shall state the specific
6 deficiencies and problems with the proposed issuance. After the
7 deficiencies and problems have been addressed as determined by
8 the department, the department shall approve the issuance of the
9 proposed municipal security.

10 ~~(9) This state or any state authority, agency, fund, com-~~
11 ~~mission, board, or department of this state is not required to~~
12 ~~obtain approval under this section before issuing securities or~~
13 ~~required to file any qualifying or audit reports under this~~
14 ~~section.~~

15 ~~(10) A state authority, agency, fund, commission, board, or~~
16 ~~department of this state that is required to obtain approval or~~
17 ~~an exception from prior approval from the department under the~~
18 ~~municipal finance act, 1943 PA 202, MCL 131.1 to 139.3, shall~~
19 ~~instead file a statement with the department of intent to issue a~~
20 ~~security on a form prescribed by the department. Within 10 days~~
21 ~~of receipt of that statement, the department shall issue that~~
22 ~~authority, agency, fund, commission, board, or department an~~
23 ~~order granting exception from prior approval. If the department~~
24 ~~fails to comply with the requirements of this subsection, the~~
25 ~~state authority, agency, fund, commission, board, or department~~
26 ~~of this state shall be considered to have obtained any required~~
27 ~~approval or exception from prior approval.~~

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1 (9) ~~(11)~~ A determination by the department that a
2 municipality has been granted qualified status constitutes an
3 order granting exception from prior approval under ~~the municipal~~
4 ~~finance act, 1943 PA 202, MCL 131.1 to 139.3~~ FORMER 1943 PA 202,
5 of that municipality's securities.

6 SEC. 304. IF A MUNICIPALITY ISSUES A MUNICIPAL SECURITY
7 SUBJECT TO THIS ACT AND THE PRINCIPAL AND INTEREST FOR THAT
8 MUNICIPAL SECURITY WILL BE PAID BY 1 OR MORE MUNICIPALITIES NOT
9 ISSUING THE MUNICIPAL SECURITY UNDER A CONTRACT, AND 1 OR MORE OF
10 THE MUNICIPALITIES HAVE NOT BEEN GRANTED QUALIFIED STATUS, THEN
11 THE MUNICIPAL SECURITY IS SUBJECT TO SECTION 303(7).

12 Sec. 319. (1) Within 15 business days of completing the
13 issuance of any municipal security qualified under section
14 303(3), the municipality ~~, other than a state authority or~~
15 ~~agency,~~ shall file a copy of all of the following with the
16 department in a form and manner prescribed by the department:

17 (a) A copy of the municipal security.

18 (b) A proof of publication of the notice of sale, if
19 applicable.

20 (c) A copy of the award resolution or certificate of award
21 including a detail of the annual interest rate and call features
22 on the municipal security.

23 (d) A copy of the legal opinion regarding the legality and
24 tax status of the municipal security.

25 (e) A copy of the notice of rating of the municipal security
26 received from a recognized rating agency, if any.

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1 (f) A copy of the resolution or ordinance authorizing the
2 issuance of the municipal security.

3 (g) A copy of the official statement, if any.

4 (h) For a refunding security, documentation indicating com-
5 pliance with section 611.

6 (i) A filing fee equaling 0.02% of the principal amount of
7 the municipal security issued, but in an amount not less than
8 \$100.00 and not greater than \$1,000.00, as determined by the
9 department.

10 (j) If the qualifying statement required by section 303(2)
11 was received by the department more than 6 months after the end
12 of the municipality's fiscal year, a late fee of \$100.00 with the
13 first filing thereafter.

14 (k) For a municipal security issued under section 305(2),
15 documentation indicating compliance with section 305(2).

16 (2) Within 15 business days of completing the issuance of
17 any municipal security approved under section 303(7), the munici-
18 pality shall file all of the following with the department in a
19 form and manner prescribed by the department:

20 (a) A copy of the municipal security.

21 (b) A proof of publication of the notice of sale, if
22 applicable.

23 (c) A copy of the award resolution including a detail of the
24 annual interest rate and call features on the municipal
25 security.

26 (d) A copy of the legal opinion regarding the legality and
27 tax status of the municipal security.

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1 (e) A copy of the notice of rating of the municipal security
2 received from a recognized rating agency, if any.

3 (f) A copy of the resolution or ordinance authorizing the
4 issuance of the municipal security.

5 (g) A copy of the official statement, if any.

6 (h) For a refunding security, documentation indicating com-
7 pliance with section 611.

8 (i) For a municipal security issued under section 305(2),
9 documentation indicating compliance with section 305(2).

10 ~~(3) Within 15 business days of completing the issuance of~~
11 ~~any security approved under section 303(10), this state or any~~
12 ~~authority, agency, fund, commission, board, or department of this~~
13 ~~state shall file all of the following with the department in a~~
14 ~~form and manner prescribed by the department:~~

15 ~~(a) A copy of the security.~~

16 ~~(b) A proof of publication of the notice of sale, if~~
17 ~~applicable.~~

18 ~~(c) A copy of the award resolution including a detail of the~~
19 ~~annual interest rate and call features on the security.~~

20 ~~(d) A copy of the legal opinion regarding the legality and~~
21 ~~tax status of the security.~~

22 ~~(e) A copy of the notice of rating of the security received~~
23 ~~from a recognized rating agency, if any.~~

24 ~~(f) A copy of the resolution or ordinance authorizing the~~
25 ~~issuance of the security.~~

26 ~~(g) A copy of the official statement, if any.~~

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1 ~~(h) For a refunding security, documentation indicating~~
2 ~~compliance with section 611.~~

3 (3) ~~(4)~~ The failure to comply with subsection (1) ~~,~~ OR
4 (2) ~~,~~ or ~~(3)~~ does not invalidate any of the securities issued
5 or reported under this act.

6 Sec. 517. (1) A county, city, village, or township may by
7 resolution of its governing body, and without a vote of its elec-
8 tors, issue a municipal security UNDER THIS SECTION to pay the
9 cost of any capital improvement items, provided that the amount
10 of taxes necessary to pay the principal and interest on that
11 municipal security, together with the taxes levied for the same
12 year, shall not exceed the limit authorized by law.

13 (2) If a county, city, village, or township issues a municipi-
14 pal security under this section, before issuance, the county,
15 city, village, or township shall publish a notice of intent to
16 issue the municipal security. The notice of intent shall be
17 directed to the electors of the county, city, village, or town-
18 ship, shall be published in a newspaper that has general circula-
19 tion in the county, city, village, or township, and shall state
20 the maximum amount of municipal securities to be issued, the pur-
21 pose of the municipal securities, the source of payment, the
22 right of referendum on the issuance of the municipal securities,
23 and any other information the county, city, village, or township
24 determines necessary to adequately inform the electors of the
25 nature of the issue. The notice of intent shall not be less than
26 1/4 page in size in the newspaper. If, within 45 days after the
27 publication of the notice of intent, a petition, signed by not

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1 less than 10% or 15,000 of the registered electors, whichever is
2 less, residing within the county, city, village, or township, is
3 filed with the governing body of the county, city, village, or
4 township, requesting a referendum upon the question of the issu-
5 ance of the municipal securities, then the municipality shall not
6 issue the municipal securities until authorized by the vote of a
7 majority of the electors of the county, city, village, or town-
8 ship qualified to vote and voting on the question at a general or
9 special election. A special election called for this purpose
10 shall not be included in a statutory or charter limitation as to
11 the number of special elections to be called within a period of
12 time. Signatures on the petition shall be verified by a person
13 under oath as the actual signatures of the persons whose names
14 are signed to the petition, and the governing body of the county,
15 city, village, or township shall have the same power to reject
16 signatures and petitions as city clerks under section 25 of the
17 home rule city act, 1909 PA 279, MCL 117.25. The number of reg-
18 istered electors in the county, city, village, or township shall
19 be determined by the governing body of the county, city, village,
20 or township.

21 (3) Municipal securities issued under subsection (1) by a
22 county, city, village, or township shall not exceed 5% of the
23 state equalized valuation of the property assessed in that
24 county, city, village, or township.

25 Sec. 701. (1) Subject to subsection (3), if a municipality
26 has municipal securities outstanding, or with the approval of its
27 electors has authorized the issuance of municipal securities to

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1 be paid from collections of its next tax levy, an officer or
2 official body charged with a duty in connection with the determi-
3 nation of the amount of the next taxes to be raised or with the
4 levying of the next taxes, shall include all of the following in
5 the amount of taxes levied each year:

6 (a) An amount such that the estimated collections will be
7 sufficient to promptly pay, when due, the interest on all munici-
8 pal securities and the portion of the principal falling due
9 whether by maturity or by mandatory redemption before the time of
10 the following year's tax collection.

11 (b) An amount, if there are outstanding mandatory redemption
12 refunding securities, sufficient to provide the sum required to
13 be deposited, by the ordinance or resolution authorizing the
14 issue, into the sinking fund for that purpose before the time of
15 the following year's tax collection.

16 (c) An amount, if there are outstanding mandatory redemption
17 municipal securities other than refunding securities not required
18 to be redeemed in annual amounts before the maturity of the out-
19 standing mandatory redemption municipal securities, that if
20 deposited annually into a sinking fund will, with the existing
21 sinking fund pertaining to the municipal securities and the
22 increment of the municipal securities, be sufficient to pay the
23 municipal securities at maturity.

24 (2) Subsection (1) does not limit the amount required to be
25 levied in a year for the purposes prescribed in that subsection,
26 by the terms of an ordinance or resolution authorizing the
27 issuance of the municipal securities.

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1 (3) If the municipal securities were authorized or issued
2 before December 23, 1978, or were approved by the electors of a
3 municipality, the municipality shall levy the full amount of
4 taxes required by this section for the payment of the municipal
5 securities without limitation as to rate or amount and in addi-
6 tion to other taxes that the municipality may be authorized to
7 levy. If the municipal securities were authorized or issued by a
8 municipality after December 22, 1978, and were not approved by
9 the electors of the municipality, the municipality shall set
10 aside each year from the levy and collection of ad valorem taxes
11 as required by this section as a first budget obligation for the
12 payment of the municipal securities. However, the ad valorem
13 taxes shall be subject to applicable charter, statutory, or con-
14 stitutional rate limitations.

15 (4) If there is surplus money on hand for the payment of
16 principal or interest at the time of making an annual tax levy,
17 and provision has not been made in the authorizing resolution for
18 the disposition of that money, the annual levy for principal or
19 interest shall be adjusted to reflect available funds.

20 (5) Money remaining in a debt retirement fund from the levy
21 of a tax or an account within a debt retirement fund from the
22 levy of a tax after the retirement of all municipal securities
23 payable from that fund shall be used in the following order of
24 priority:

25 (a) To pay other outstanding unlimited tax full faith and
26 credit municipal securities.

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1 (b) To pay other outstanding limited tax full faith and
2 credit municipal securities.

3 (c) To be deposited in the general fund of the
4 municipality.

5 (6) As taxes are collected, there shall be set aside that
6 portion of the collections that is allocable to the payment of
7 the principal and interest on the municipal securities. The por-
8 tion set aside shall be divided pro rata among the various sink-
9 ing funds and debt retirement funds in accordance with the amount
10 levied for that purpose. Tax collections paid into a debt
11 retirement fund, if the fund is for the payment of more than 1
12 issue of municipal securities, shall be allocated on the books
13 and records of the municipality between the various issues in
14 accordance with the amounts levied for that purpose.

15 (7) An officer who willfully fails to perform duties
16 required by this section is personally liable to the municipality
17 or to a holder of a municipal security for loss or damage arising
18 from his or her failure.

19 (8) AS USED IN THIS SECTION, "TAX LEVY" INCLUDES SPECIAL
20 ASSESSMENTS.

21 SEC. 802. (1) IF A MUNICIPALITY FAILS TO PAY ANY INSTALL-
22 MENT OF PRINCIPAL OR INTEREST ON AN OUTSTANDING MUNICIPAL SECUR-
23 ITY ON OR BEFORE ITS DUE DATE, THE STATE TREASURER, FOR A MUNICI-
24 PALITY OTHER THAN A SCHOOL DISTRICT, OR THE SUPERINTENDENT OF
25 PUBLIC INSTRUCTION, FOR A SCHOOL DISTRICT, MAY TAKE THAT ACTION
26 IT CONSIDERS ADVISABLE TO INVESTIGATE THE MUNICIPALITY'S FISCAL
27 AFFAIRS, MAY CONSULT WITH THE GOVERNING BODY OF THE MUNICIPALITY,

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1 AND MAY NEGOTIATE WITH THE MUNICIPALITY'S CREDITORS IN ORDER TO
2 ASSIST THE MUNICIPALITY IN DEVELOPING A PLAN FOR FINANCING,
3 ADJUSTING, OR COMPROMISING THE OUTSTANDING MUNICIPAL SECURITY FOR
4 WHICH A PAYMENT OF AN INSTALLMENT OF PRINCIPAL OR INTEREST HAD
5 NOT BEEN PAID. AS A COMPONENT OF A PLAN FOR FINANCING THE OUT-
6 STANDING MUNICIPAL SECURITY THAT HAS BEEN DEFAULTED UPON, THE
7 DEPARTMENT MAY AGREE AND SHALL HAVE THE POWER TO WITHHOLD ALL OR
8 PART OF STATE PAYMENTS UNDER AN APPROPRIATION MADE TO THE MUNICI-
9 PALITY, THE GLENN STEIL STATE REVENUE SHARING ACT OF 1971, 1971
10 PA 140, MCL 141.901 TO 141.921, OR THE STATE SCHOOL AID ACT OF
11 1979, 1979 PA 94, MCL 388.1601 TO 388.1772, THAT THE MUNICIPALITY
12 IS ENTITLED TO RECEIVE AND TO USE THESE WITHHELD AMOUNTS TO PAY
13 UNPAID AMOUNTS OR SUBSEQUENTLY DUE AMOUNTS, OR BOTH, OF PRINCIPAL
14 AND INTEREST ON THE OUTSTANDING MUNICIPAL SECURITY.

15 (2) WHEN A PLAN IS DEVELOPED THAT THE DEPARTMENT FINDS TO BE
16 FAIR AND EQUITABLE AND REASONABLY WITHIN THE ABILITY OF THE
17 MUNICIPALITY TO MEET, THE DEPARTMENT SHALL ENTER AN ORDER FINDING
18 THAT IT IS FAIR, EQUITABLE, AND WITHIN THE ABILITY OF THE MUNICI-
19 PALITY TO MEET. THE DEPARTMENT SHALL THEN ADVISE THE GOVERNING
20 BODY TO TAKE THE NECESSARY STEPS TO IMPLEMENT THE PLAN. IF THE
21 GOVERNING BODY DECLINES OR REFUSES TO DO SO WITHIN 90 DAYS AFTER
22 RECEIVING THE DEPARTMENT'S ADVICE, THE DEPARTMENT SHALL BE VESTED
23 WITH ALL POWERS OF THE MUNICIPALITY, ITS GOVERNING BODY, AND ITS
24 OFFICERS THAT ARE NECESSARY TO IMPLEMENT THE PLAN. WHEN THE
25 DEPARTMENT IS VESTED WITH THE AUTHORITY TO IMPLEMENT THE PLAN,
26 THE MEMBERS OF THE GOVERNING BODY AND ALL OFFICERS AND EMPLOYEES
27 OF THE MUNICIPALITY SHALL BE UNDER AN AFFIRMATIVE DUTY TO DO ALL

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1 THINGS THE DEPARTMENT DETERMINES TO BE NECESSARY TO IMPLEMENT THE
2 PLAN. THE DEPARTMENT MAY INSTITUTE APPROPRIATE PROCEEDINGS IN
3 THE COURTS OF THIS STATE, INCLUDING THOSE FOR WRITS OF MANDAMUS
4 AND INJUNCTIONS, TO ENFORCE THE DEPARTMENT'S IMPLEMENTATION OF
5 THE PLAN AND COMPLIANCE WITH THE PLAN BY THE GOVERNING BODY AND
6 OTHER OFFICERS AND EMPLOYEES OF THE MUNICIPALITY.

7 Sec. 809. All orders approving the issuance of securities
8 issued by the department shall continue in force and effect until
9 October 31, 2002. The terms of ~~the municipal finance act,~~
10 FORMER 1943 PA 202 ~~, MCL 131.1 to 139.3,~~ AND THE ADMINISTRATIVE
11 RULES OF THE MUNICIPAL FINANCE DIVISION shall apply with respect
12 to any security issued pursuant to an order of the department
13 that was issued before May 1, 2002.

14 Enacting section 1. Section 815 of the revised municipal
15 finance act, 2001 PA 34, MCL 141.2815, is repealed.