

SUBSTITUTE FOR
HOUSE BILL NO. 6619

A bill to amend 1948 (1st Ex Sess) PA 31, entitled

"An act to provide for the incorporation of authorities to acquire, furnish, equip, own, improve, enlarge, operate, and maintain buildings, automobile parking lots or structures, recreational facilities, stadiums, and the necessary site or sites therefor, together with appurtenant properties and facilities necessary or convenient for the effective use thereof, for the use of any county, city, village, or township, or for the use of any combination of 2 or more counties, cities, villages, or townships, or for the use of any school district and any city, village, or township wholly or partially within the district's boundaries, or for the use of any school district and any combination of 2 or more cities, villages, or townships wholly or partially within the district's boundaries, or for the use of any intermediate school district and any constituent school district or any city, village, or township, wholly or partially within the intermediate school district's boundaries; to provide for compensation of authority commissioners; to permit transfers of property to authorities; to authorize the execution of contracts, leases, and subleases pertaining to authority property and the use of authority property; to authorize incorporating units to impose taxes without limitation as to rate or amount and to pledge their full faith and credit for the payment of contract of lease obligations in anticipation of which bonds are issued by an authority; to provide for the issuance of bonds by such authorities; to validate action taken and bonds issued; to provide other powers, rights, and duties of authorities and incorporating units, including those for the disposal of

authority property; and to prescribe penalties and provide remedies,"

by amending section 11 (MCL 123.961), as amended by 1980 PA 74.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 11. **(1)** For the purpose of defraying all or part of the
2 cost of acquiring, improving, and enlarging any building or
3 buildings, automobile parking lots or structures, recreational
4 facilities, stadiums, and the necessary site or sites for the
5 property, together with appurtenant properties and facilities
6 necessary or convenient for the effective use of the property,
7 furnishing and equipping the same, or refunding outstanding bonds,
8 ~~as provided in section 11k,~~ the authority, after execution and
9 delivery of a full faith and credit general obligation contract of
10 lease, as provided in this act, and pursuant to ordinance or
11 resolution duly adopted by a majority vote of the elected members
12 of the commission, may issue its negotiable bonds in anticipation
13 of the contract obligations of the incorporating unit or units to
14 make cash rental payments to the authority and may pledge the
15 receipts from the payments for payment of bonds and interest on the
16 bonds. Bonds shall not be issued unless the property has been
17 leased by the authority to its incorporating unit or units for a
18 period extending beyond the last maturity of the bonds and until
19 the contract of lease is fully effective. The bonds shall be called
20 building authority bonds, or, in the case of bonds issued to refund
21 outstanding bonds, the bonds shall be called building authority
22 refunding bonds.

23 **(2) FOR THE PURPOSE OF DEFRAYING ALL OR PART OF THE COST OF**
24 **REFUNDING CAPITAL APPRECIATION BONDS ORIGINALLY ISSUED ON MAY 17,**

1 1990, THE AUTHORITY, PURSUANT TO RESOLUTION DULY ADOPTED BY A
2 MAJORITY VOTE OF THE ELECTED MEMBERS OF THE COMMISSION, MAY ISSUE
3 ITS NEGOTIABLE BONDS IN ANTICIPATION OF THE CONTRACT OBLIGATIONS OF
4 THE INCORPORATING UNIT TO MAKE CASH RENTAL PAYMENTS TO THE
5 AUTHORITY UNDER A FULL FAITH AND CREDIT GENERAL OBLIGATION CONTRACT
6 OF LEASE DATED NOVEMBER 14, 1989, AND MAY PLEDGE THE RECEIPTS FROM
7 THE CONTRACT OF LEASE FOR PAYMENT OF BONDS AND INTEREST ON THE
8 BONDS. IF ISSUED BEFORE JANUARY 1, 2011, THE REFUNDING BONDS ARE
9 NOT SUBJECT TO THE REQUIREMENTS OF SECTION 305(2), (3), (5), OR
10 (6), 501, 503, OR 611 OF THE REVISED MUNICIPAL FINANCE ACT, 2001 PA
11 34, MCL 141.2305, 141.2501, 141.2503, AND 141.2611. NOTWITHSTANDING
12 THE BOND MATURITY DATES CONTAINED IN THE NOTICE OF INTENTION OF
13 ENTERING INTO THE FULL FAITH AND CREDIT GENERAL OBLIGATION CONTRACT
14 OF LEASE PUBLISHED BY THE INCORPORATING UNIT AS REQUIRED BY SECTION
15 8B(3), THE REFUNDING BONDS MAY BE PAYABLE THROUGH 2039.

16 (3) FOR THE PURPOSE OF DEFRAYING ALL OR PART OF THE COST OF
17 ACQUIRING A BUILDING OR BUILDINGS TO BE USED AS A NEW PERFORMING
18 ARTS FACILITY, AN ADDITION TO AN EXISTING CONVENTION AND EXHIBITION
19 CENTER BUILDING, AND INFRASTRUCTURE IMPROVEMENTS, TOGETHER WITH
20 APPURTENANT PROPERTIES AND FACILITIES NECESSARY OR CONVENIENT FOR
21 THE EFFECTIVE USE OF THE PROPERTY FURNISHING AND EQUIPPING THE
22 SAME, THE AUTHORITY, AFTER EXECUTION AND DELIVERY OF A FULL FAITH
23 AND CREDIT GENERAL OBLIGATION CONTRACT OF LEASE, AS PROVIDED IN
24 THIS ACT, AND PURSUANT TO RESOLUTION DULY ADOPTED BY A MAJORITY
25 VOTE OF THE ELECTED MEMBERS OF THE COMMISSION, MAY ISSUE ITS
26 NEGOTIABLE BONDS IN AN AMOUNT NOT EXCEEDING \$50,000,000.00 IN
27 ANTICIPATION OF THE CONTRACT OBLIGATIONS OF THE INCORPORATING UNIT

1 TO MAKE CASH RENTAL PAYMENTS TO THE AUTHORITY. THE AUTHORITY MAY
2 PLEDGE THE RECEIPTS FROM THE CASH RENTAL PAYMENTS FOR PAYMENT OF
3 THE BONDS AND INTEREST ON THE BONDS. THE BONDS SHALL BE ISSUED
4 BEFORE JANUARY 1, 2011, AND THE BONDS ARE NOT SUBJECT TO THE
5 REQUIREMENTS OF SECTION 305(2), (3), (5), OR (6), OR 503 OF THE
6 REVISED MUNICIPAL FINANCE ACT, 2001 PA 34, MCL 141.2305 AND
7 141.2503.