FEDERAL BOND LIMITATIONS

Act 153 of 2010

AN ACT to provide for the procedure for allocation, reallocation, and waiver of federal bond limitations under certain bond programs; and to prescribe certain powers and duties of certain state agencies and public officers.

History: 2010, Act 153, Imd. Eff. Aug. 23, 2010

The People of the State of Michigan enact:

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125.1291 Allocation and reallocation of federal law bond limitation.

Sec. 1.

Unless prohibited by applicable federal law, the state treasurer shall allocate and reallocate any federal law bond limitation allocated, reallocated, or waived to the state of Michigan for any of the following in accordance with the federal law establishing the bond limitation:

(a) Qualified school construction bonds.

(b) Recovery zone economic development bonds.

(c) Recovery zone facility bonds.

(d) Qualified energy conservation bonds.

History: 2010, Act 153, Imd. Eff. Aug. 23, 2010

125.1292 Consideration of bond limitation as deemed waiver; extension of final deadline for issuing bonds; reallocation.

Sec. 2.

(1) Except as otherwise provided in this section, unless prohibited by applicable federal law, the state treasurer may provide for the waiver, deemed waiver, or reallocation to the state of Michigan of any federal bond limitations specified in section 1 allocated to projects, municipalities, or other entities within this state. The state treasurer shall not consider any federal bond limitation specified in section 1 a deemed waiver before October 8, 2010.

(2) Subject to subsections (3) and (8), beginning October 8, 2010, the state treasurer may consider up to 2/3 of any bond limitation specified in section 1(a), (b), or (c) a deemed waiver unless the municipality or other entity that was allocated the bond limitation does all of the following:

(a) The municipality or other entity adopts a resolution describing the project and indicating the intent to issue bonds for the project.

(b) The municipality or other entity provides communications from a third party nationally recognized bond counsel attesting to the eligibility of the project.

(c) If applicable, the municipality or other entity provides communications from a third party that is responsible for payment of the bonds.

(3) Except as otherwise provided in subsection (8), if the final deadline for issuing bonds is extended by federal law enacted after the effective date of this act, then the state treasurer shall not consider any federal bond limitation specified under section 1(a) and (b) for which the deadline has been extended a deemed waiver prior to 180 days prior to the last day provided for issuing those bonds and may consider up to 2/3 of any federal bond limitation specified in section 1(a) and (b) a deemed waiver after 180 days prior to the deadline for issuing those bonds unless the municipality or other entity that was allocated the bond limitation does all of the following:

(a) The municipality or other entity adopts a resolution describing the project and indicating the intent to issue bonds for the project.

(b) The municipality or other entity provides communications from a third party nationally recognized bond counsel attesting to the eligibility of the project.

(c) If applicable, the municipality or other entity provides communications from a third party that is responsible for payment of the bonds.

(4) Subject to subsection (7), if a deemed waiver has occurred under subsection (1) prior to the enactment of any federal law to which the provisions of this section would otherwise apply, any deemed waiver amounts that have not been reallocated shall be returned to the municipality or other entity and the provisions of subsections (3), (5), and (6) shall apply to the reallocated amounts.

(5) A municipality or other entity to which a deemed waiver applies may obtain a reallocation of the amount deemed waived if it subsequently demonstrates a viable project to the state treasurer and the amount deemed waived remains available for allocation.

(6) The state treasurer shall make an effort to reallocate bond limitations that have been waived voluntarily before reallocating bond limitations that have been deemed waived under subsections (2) and (3).

(7) Except as otherwise provided in subsection (8), once a recovery zone facility bond limitation allocation has been deemed waived, regardless of whether the federal law establishing that bond limitation is extended, the state treasurer shall reallocate that bond limitation under this act.

(8) Notwithstanding any other provision of this section, if federal law provides that a municipality shall be treated as having waived any portion of an allocation made for bonds described under section 1(b) or (c) that has not been allocated to bonds issued before a date other than the date or dates specified in this section, then the state treasurer may reallocate those bond limitations that are treated as having been waived. However, the provisions of subsections (5) and (6) shall still apply.

History: 2010, Act 153, Imd. Eff. Aug. 23, 2010

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125.1293 Priority to certain projects.

Sec. 3.

In determining any allocation or reallocation under this act, the state treasurer shall, to the extent practicable, give priority to projects within a region in which an original allocation existed or a remaining allocation exists and which reflect a consensus or preference among entities to which original allocations were provided. However, an entity to which an allocation or reallocation is provided shall not issue bonds related to an allocation or reallocation for a project that benefits a person who has been convicted of a felony if the conviction will have a material impact on the ability of the person to participate in the project.

History: 2010, Act 153, Imd. Eff. Aug. 23, 2010

125.1294 Ratification and confirmation of certain bond limitations made prior to effective date of act.

Sec. 4.

Any allocation or reallocation of bond limitation for qualified school construction bonds, recovery zone economic development bonds, recovery zone facility bonds, or qualified energy conservation bonds made by the Michigan department of education, the Michigan department of energy, labor, and economic growth, or the state treasurer prior to the effective date of this act is hereby ratified and confirmed.

History: 2010, Act 153, Imd. Eff. Aug. 23, 2010

125.1295 "Municipality or other entity" defined.

Sec. 5.

As used in this act, "municipality or other entity" means a county, city, school district, or other entity that has received a federal bond limitation allocation.

History: 2010, Act 153, Imd. Eff. Aug. 23, 2010

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