INDUSTRIAL DEVELOPMENT REVENUE BOND ACT OF 1963

Act 62 of 1963

AN ACT relating to industrial development; to authorize municipalities to acquire and dispose of industrial buildings and sites and industrial machinery and equipment, including water and air pollution control equipment, solid waste disposal facilities, and tourist and resort facilities and to lease the same to persons, firms, or corporations; to authorize municipalities to acquire and dispose of water and air pollution control equipment and solid waste disposal facilities and to lease or sell the same to persons, firms, corporations, or public utilities; to provide for the financing of such buildings, sites, machinery, and equipment or water and air pollution control equipment and solid waste disposal facilities by the issuance of revenue bonds and refunding bonds; to provide the terms and conditions of such bonds; to prescribe the powers and duties of the municipal finance commission; and to prescribe penalties and provide remedies.

History: 1963, Act 62, Imd. Eff. May 8, 1963 ;-- Am. 1966, Act 340, Imd. Eff. Sept. 21, 1966 ;-- Am. 1970, Act 8, Imd. Eff. Mar. 24, 1970 ;-- Am. 1972, Act 75, Imd. Eff. Mar. 9, 1972 ;-- Am. 1973, Act 172, Imd. Eff. Dec. 21, 1973 ;-- Am. 1978, Act 229, Imd. Eff. June 14, 1978 ;-- Am. 1998, Act 164, Eff. Mar. 23, 1999

The People of the State of Michigan enact:

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125.1251 Legislative determination; short title.

Sec. 1.

(1) It is determined that there exists in this state the continuing need for programs to alleviate and prevent conditions of unemployment, to assist and retain local industries, including employee-owned corporations, to meet growing competition for new industries, and to strengthen and revitalize the economy in general. It is further determined that in order to achieve these purposes, industries, including employee-owned corporations, need flexible forms of financing, including the ability to refund outstanding bonds in advance of redemption or maturity. It is further determined that the authority and powers conferred by this act constitute such a necessary program and serve a valid public purpose.

(2) This act shall be known and may be cited as the "industrial development revenue bond act of 1963".

History: 1963, Act 62, Imd. Eff. May 8, 1963 ;-- Am. 1966, Act 340, Imd. Eff. Sept. 21, 1966 ;-- Am. 1978, Act 229, Imd. Eff. June 14, 1978 ;-- Am. 1985, Act 153, Imd. Eff. Nov. 12, 1985

125.1252 Definitions.

Sec. 2.

As used in this act:

(a) "Industrial building" means a building or structure suitable for, and intended for or incidental to, use as a factory, mill, shop, processing plant, assembly plant, fabricating plant, warehouse, research and development facility, an engineering, architectural, or design facility, or a tourist and resort facility.

(b) "Municipality" means a county, city, incorporated village, township, or port district.

(c) "Governing body" means the board, by whatever name known, charged with governing the municipality.

(d) "Industrial machinery and equipment" means such machinery and equipment, including water and air pollution control equipment and solid waste disposal facilities, other than vehicular equipment, as shall be necessary, suitable, intended for, or incidental to the use to which the industrial building in or near which the machinery or equipment shall be situated is to be put.

(e) "Water and air pollution control equipment" means buildings, plants, structures, equipment, or facilities and their appurtenances, together with lands or interest in lands therefor or a portion thereof, for the purpose of controlling, eliminating, recovering, removing, reducing, dispersing, treating, or neutralizing atmospheric or water pollutants, including liquid, gaseous, or solid substances or discharges or radiation, or cooling the temperature of any of the foregoing, or any liquid, gas, or solid, resulting from any of the following: (i) Any process of industry, manufacture, trade, or business. (ii) The development, processing, or recovery of any natural resources. (iii) The operation of any public utility, any of which may pollute or may tend to pollute or affect the water or air of or adjacent to the state. "Water and air pollution control equipment" includes buildings, plants, structures, facilities, and equipment and their appurtenances, together with lands or interest in lands therefor or a portion thereof, used or to be used as a change in manufacturing, production, generation, transmission, or distribution process to prevent, reduce, recover, remove, disperse, neutralize, control, or eliminate air or water pollution. The term includes any and all buildings, plants, structures, equipment, or facilities and their appurtenances, together with lands or interest in lands therefor or a portion thereof, which qualify as air or water pollution control facilities under section 103(c)(4) of the federal internal revenue code.

(f) "Public utility" means a person, firm, or corporation engaged in the manufacture, production, generation, or distribution of electricity, steam heat, gas, or any combination thereof, for sale to the public.

(g) "Solid waste disposal facilities" means buildings, plants, structures, equipment, or facilities and their appurtenances, together with lands or interest in lands therefor or a portion thereof, for the purpose of treating, shredding, compression, high temperature incineration, pyrolization, separation, or any other technology for recovery, transporting, storing, or the final placement and disposal of solid wastes resulting from any of the following: (i) Any process of industry, manufacture, trade, or business. (ii) The development, processing, or recovery of any natural resources. (iii) The operation of any public utility. "Solid waste disposal facilities" includes any and all buildings, plants, structures, equipment, or facilities and their appurtenances, together with lands or interest in lands therefor or a portion thereof, which qualify as solid waste disposal facilities under section 103(c)(4) of the federal internal revenue code.

(h) "Pollution control facilities" means water and air pollution control equipment and solid waste disposal facilities or any of them.

(i) "Employee-owned corporation" means an employee-owned corporation as defined by the employee-owned corporation act.

History: 1963, Act 62, Imd. Eff. May 8, 1963 ;-- Am. 1966, Act 340, Imd. Eff. Sept. 21, 1966 ;-- Am. 1968, Act 200, Imd. Eff. June 22, 1968 ;-- Am. 1970, Act 8, Imd. Eff. Mar. 24, 1970 ;-- Am. 1972, Act 75, Imd. Eff. Mar. 9, 1972 ;-- Am. 1973, Act 172, Imd. Eff. Dec. 21, 1973 ;-- Am. 1985, Act 153, Imd. Eff. Nov. 12, 1985

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125.1253 Powers of municipality generally.

Sec. 3.

A municipality may:

(a) Construct, acquire by gift or purchase, reconstruct, improve, maintain or repair industrial buildings within or without the municipality, acquire sites for those activities and enlarge or remodel industrial buildings.

(b) Acquire by gift or purchase industrial machinery and equipment, but only in conjunction with a project whereby the municipality will construct, acquire by gift or purchase, reconstruct, improve or remodel the industrial building in or near which the industrial machinery or equipment will be located.

(c) Issue revenue bonds to finance the costs of the acquisition, purchase, construction, reconstruction or remodeling of industrial buildings, the acquisition and improvement of sites, the acquisition of industrial machinery and equipment, and the refunding of bonds issued pursuant to this act.

(d) Enter into lease or lease purchase agreements with any person, firm or corporation for the use of the industrial building, the site therefor and industrial machinery and equipment. The agreement shall provide that the rents to be charged for the use shall be fixed and revised from time to time so as to produce income and revenues sufficient to pay promptly when due the interest upon and the principal of all bonds issued payable therefrom after provision has been made for the payment of operation and maintenance costs. Whenever such agreement shall relate to industrial machinery or equipment, it shall specify that the machinery or equipment shall remain in or near the industrial building until provision has been made for the retirement in full of all bonds issued therefor unless the industrial machinery and equipment is replaced without cost to the municipality with similar machinery and equipment of equivalent value and utility.

(e) Mortgage the industrial building, the site, and any industrial machinery and equipment in favor of the holders of the bonds issued therefor.

(f) Sell and convey the industrial building, the site, and any industrial machinery and equipment, including without limitation the sale and conveyance thereof subject to a mortgage, for a price and at a time which the governing body may determine, but a sale or conveyance shall not be made in a manner that would impair the rights or interests of the holders of bonds issued payable from the rentals of the building, site, machinery or equipment.

History: 1963, Act 62, Imd. Eff. May 8, 1963 ;-- Am. 1966, Act 340, Imd. Eff. Sept. 21, 1966 ;-- Am. 1972, Act 75, Imd. Eff. Mar. 9, 1972 ;-- Am. 1978, Act 229, Imd. Eff. June 14, 1978

125.1253a Programs of water and air pollution control for industries and public utilities; water and air pollution control equipment; powers of municipality.

Sec. 3a.

There exists in this state the continuing need for programs of water and air pollution control and solid waste disposal facilities for industries and public utilities in order to protect the public health, safety, and welfare of the residents of the state, and it is necessary to promote and encourage the acquisition, purchase, construction, reconstruction, enlarging, remodeling, improving, repairing, operation, and maintenance of adequate and proper water and air pollution control equipment and solid waste disposal facilities for industrial buildings and the facilities of public utilities now or hereafter located in this state. The authority and powers conferred by this act, including the powers conferred with respect to the acquisition, purchase,

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construction, reconstruction, enlarging, remodeling, improving, repairing, operation, and maintenance of pollution control facilities and the financing thereof whether by purchase, sale, lease, or otherwise, including pollution control facilities heretofore acquired, under construction, placed in operation, or completed by any person, firm, corporation, or public utility, and the issuance of bonds for the purpose of refunding outstanding bonds, constitutes such a necessary program and serves a valid public purpose. A municipality may do any or all of the following:

(a) Construct, acquire by gift or purchase, reconstruct, improve, enlarge, maintain, remodel, repair, or operate and maintain any pollution control facilities or portion thereof within or without the municipality whether the pollution control facilities have been or are operating, are under construction, or are completed. The interest of the municipality in the pollution control facilities leased or sold to a public utility may be subject or may be made subject to a mortgage, lien, security interest, or encumbrance given or made by a public utility from which the municipality acquired its interest or which, under an agreement made pursuant to subdivision (c), has or may acquire an interest in the pollution control facilities.

(b) Issue revenue bonds under, subject to, and in accordance with this act to finance, in whole or in part, the costs of acquisition, purchase, construction, reconstruction, enlarging, remodeling, improving, or repair of pollution control facilities referred to in subdivision (a), or to refund outstanding bonds, or partly to finance, in whole or in part, the costs of acquisition, purchase, construction, reconstruction, enlarging, remodeling, improving or repair of pollution control facilities referred to in subdivision (a) and partly to refund outstanding bonds. The revenue bonds may be issued by a municipality to finance the costs of the acquisition, purchase, construction, reconstruction, enlarging, remodeling, improving, or repair of pollution control facilities located or to be located in 1 or more places within or without the municipality issuing the revenue bonds. Revenue bonds issued pursuant to this section may be issued solely for the acquisition, purchase, construction, reconstruction, enlarging, remodeling, improving, or repair of pollution control facilities referred to in subdivision (a), notwithstanding that the municipality does not own or propose to own the industrial buildings or public utility facilities, including lands or interests in lands therefor in or near to which the pollution control facilities are or are to be located.

(c) Enter into a lease, lease-purchase agreement, or installment sales contract with any person, firm, corporation, or public utility for the use or sale of pollution control facilities referred to in subdivision (a). The agreement shall provide that the rents to be charged for the use or the sums to be paid under the installment sales contract shall be fixed so as to produce income and revenues therefrom sufficient to pay promptly when due the interest upon and the principal of all bonds issued payable therefrom after provision has been made for the payment of operation and maintenance costs, if the costs of operation and maintenance are required to be paid under the agreement by the municipality. An agreement may provide for conveyance of the pollution control facilities to the lessee or purchaser under the agreement after provision has been made for the retirement in full of all bonds issued therefor under terms and conditions provided in the agreement or, with respect to pollution control facilities leased or sold to a public utility, at any time where the obligation of the lessee or purchaser to make the payments prescribed by the preceding sentence of this subdivision shall remain fixed as therein provided notwithstanding the conveyance. The agreement shall specify that the pollution control facilities shall remain in or near the industrial building or plant or facility of the person, firm, corporation, or public utility until provision has been made for the retirement in full of all bonds issued therefor unless the pollution control facilities are conveyed by the municipality as authorized by this subdivision or are replaced without cost to the municipality

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with machinery and equipment of at least equivalent value or utility. Where the pollution control facilities are sold pursuant to an installment sales contract, the terms "lease,""leased,""lessee," or words of similar import used in this act shall be construed respectively to mean "installment sales contract,""sold,""purchaser," or words of similar import as the context may require, and the term "rent" or words of similar import as used in this act shall be construed to mean "purchase installments" or words of similar import as the context may require.

(d) Mortgage or create security interest in any pollution control facilities referred to in subdivision (a), or in any lease, lease-purchase agreement, or installment sales contract referred to in subdivision (c), or in the rents, revenues, or sums to be paid thereunder, in favor of the holders of the revenue bonds issued therefor. A mortgage or security interest in pollution control facilities leased or sold to a public utility may be subject, or may be made subject, to a mortgage, lien, security interest, or encumbrance to which the interest of the municipality may be subject to pursuant to the provisions of subdivision (a) or to a future mortgage, lien, security interest, or other encumbrance which may be created in any pollution control facilities by the lessee or purchaser.

(e) Sell and convey the pollution control facilities referred to in subdivision (a) owned by the municipality, including without limitation the sale and conveyance thereof subject to a mortgage or security interest referred to in subdivision (d) for such price and at such time as the governing body may determine. A sale or conveyance shall not be made in any manner as to impair the rights or interests of the holders of any revenue bonds previously issued therefor or the rights or interests of any lessee or the purchaser thereof under any agreement with the municipality for the lease or purchase thereof.

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History: Add. 1972, Act 75, Imd. Eff. Mar. 9, 1972 ;-- Am. 1973, Act 7, Imd. Eff. Apr. 4, 1973 ;-- Am. 1973, Act 172, Imd. Eff. Dec. 31, 1973 ;-- Am. 1978, Act 229, Imd. Eff. June 14, 1978

125.1254 Bonds; purpose; issuance; serial or term bonds; interest; form of bonds and coupons; execution; payment; tax exemption; debt limitation inapplicable; registration; applicability of other acts.

Sec. 4.

(1) For the purpose of defraying the cost of the industrial building, the site for the building, and industrial machinery and equipment, a municipality may borrow money and issue its negotiable bonds for that purpose. The bonds shall be serial bonds or term bonds or a combination of these and if serial bonds they shall be payable either semiannually or annually with the first maturity date not more than 5 years from the date of issuance. The last maturity date of the bonds, whether term or serial, shall be not more than 40 years from the date of issuance. A maturity date shall not fall due after the estimated period of usefulness of the industrial building, or, if the industrial machinery and equipment represent more than 2/3 of the total cost of the project, after the average estimated period of usefulness of said industrial machinery and equipment. The bonds shall bear a rate of interest as specified therein not to exceed the maximum rate permitted by the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821, payable semiannually, except that the first coupon may be for any number of months not exceeding 10. The bonds and coupons shall be substantially in the form provided in the authorizing resolution and shall be executed in the manner prescribed in this act, which as to coupons may be by facsimile signature. The bonds and coupons shall be payable in lawful money of the United States, and shall be exempt from taxation by this state or by any taxing authority within this state. The principal and interest of the bonds shall be

payable from the net revenues derived from the industrial building and site and industrial machinery and equipment, from the proceeds of the sale of bonds issued to refund outstanding bonds, from the investment earnings of the proceeds, or from any combination of these sources. A bond or coupon issued pursuant to this act shall not be a general obligation of the issuer nor constitute a debt of the issuer within the meaning of the constitutional or statutory limitation. Bonds may be made registerable as to principal or principal and interest under terms and conditions as may be determined by the governing body of the municipality.

(2) Bonds issued under this act are not subject to the revenue bond act of 1933, 1933 PA 94, MCL 141.101 to 141.140.

(3) Bonds and notes issued under this act are not subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

(4) The issuance of bonds and notes under this act is subject to the agency financing reporting act.

History: 1963, Act 62, Imd. Eff. May 8, 1963 ;-- Am. 1966, Act 340, Imd. Eff. Sept. 21, 1966 ;-- Am. 1967, Act 48, Imd. Eff. June 14, 1967 ;-- Am. 1973, Act 64, Imd. Eff. July 23, 1973 ;-- Am. 1978, Act 229, Imd. Eff. June 14, 1978 ;-- Am. 2002, Act 297, Imd. Eff. May 9, 2002
Admin Rule: R 18.301 et seq. and R 125.1001 et seq. of the Michigan Administrative Code.

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125.1255 Resolution authorizing issuance of bonds; contents.

Sec. 5.

(1) Any resolution authorizing the issuance of bonds under this act may contain covenants as to

(a) The use and disposition of the rentals received under the agreement, including the creation and maintenance of reserves.

(b) The issuance of other or additional bonds payable from the income and revenues from the industrial building and site and any industrial machinery and equipment.

(c) The maintenance and repair costs of the industrial building and site and any industrial machinery and equipment, which costs may be assumed by the lessee, person, firm or corporation, in which event no provision need be made for rental payments to meet said costs.

(d) The insurance to be carried thereon and the use and disposition of insurance moneys.

(e) The terms and conditions upon which the holder of the bonds, or any portion thereof or any trustees therefor, shall be entitled to the appointment of a receiver by the circuit court, which court shall have jurisdiction in such proceedings, and which receiver may enter and take possession of the industrial building and site and any industrial machinery and equipment and lease and maintain it, prescribe rentals and collect, receive and apply all income and revenues thereafter arising therefrom in the same manner and to the same extent as the municipality might do.

(2) Any resolution authorizing the issuance of bonds under this act may provide that the principal of and interest on any bonds issued shall be secured by a mortgage or deed of trust covering the industrial building and site and any industrial machinery and equipment for which the bonds are issued and may include any additions, improvements or extensions thereafter made. The mortgage or deed of trust may contain such covenants and agreements to properly safeguard the bonds as may be provided for in the resolution authorizing the bonds but not inconsistent with this act and shall be executed in the manner provided in the resolution. The resolution may provide for the appointment of 1 or more trustees for bondholders, and any such trustee may be an individual or corporation domiciled or located within or without the state and may be given appropriate powers whether with or without the

execution of a mortgage or deed of trust covering the industrial building or site or industrial machinery and equipment.

(3) The provisions of this act and any resolution and any mortgage or deed of trust shall continue in effect until the principal of and the interest on the bonds has been fully paid and the duties of the municipality and its governing body and officers under this act and any resolution and any mortgage or deed of trust shall be enforceable by any bondholder by mandamus, foreclosure of the mortgage or deed of trust or other appropriate action in any court of competent jurisdiction.

(4) The resolution authorizing the bond shall provide that the bonds shall contain a recital that they are issued pursuant to this act, which recital shall be conclusive evidence of their validity and of the regularity of their issuance.

(5) Any resolution authorizing the issuance of bonds under this act shall not be effective until publication once in a newspaper of general circulation within the municipality.

History: 1963, Act 62, Imd. Eff. May 8, 1963 ;-- Am. 1966, Act 340, Imd. Eff. Sept. 21, 1966 ;-- Am. 1967, Act 48, Imd. Eff. June 14, 1967

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125.1256 Redemption of bonds.

Sec. 6.

The bonds may provide that they may be called for redemption prior to the maturity date, on interest payment dates not earlier than 1 year from the date of issuance of the bonds, at a price and under conditions fixed by the governing body before issuing the bonds.

History: 1963, Act 62, Imd. Eff. May 8, 1963 ;-- Am. 1966, Act 340, Imd. Eff. Sept. 21, 1966

125.1257 Default; receiver.

Sec. 7.

If there is any default in the payment of principal of or interest on any bond issued hereunder, any circuit court having jurisdiction of the action may appoint a receiver to administer the industrial building and site and any industrial machinery and equipment on behalf of the municipality, with power to charge and collect rents sufficient to provide for the payment of any bonds outstanding, and for the payment of operating expenses and to apply the income and revenue in conformity with this act and the resolution made hereunder.

History: 1963, Act 62, Imd. Eff. May 8, 1963 ;-- Am. 1966, Act 340, Imd. Eff. Sept. 21, 1966

125.1258 Repealed. 1966, Act 340, Imd. Eff. Sept. 21, 1966.

Compiler's Notes: The repealed section pertained to industrial development, providing for transfer of surplus from operating and maintenance funds to depreciation account to be used for improvements or additions to building.

125.1259 Additional bonds; refunding bonds.

Sec. 9.

(1) If the governing body finds that the bonds originally authorized will be insufficient to accomplish the purpose desired, additional bonds, only in the amount necessary to complete

the project as originally approved, may be authorized and issued in the same manner as the original bonds. Additional bonds may be issued to defray the cost of 1 or more of the following:

(a) An item of cost contained in section 10.

(b) Interest that has accrued, may accrue, or has been paid during the construction period of the project and for 6 months after the construction period on money borrowed or that is estimated to be borrowed pursuant to this act.

(c) Interest on previously issued bonds.

(2) At the time of issuing additional bonds, the governing body may provide that the additional bonds for additions, extensions, and permanent improvements, be placed in escrow and negotiated from time to time as the proceeds for those purposes are necessary. When negotiated, bonds placed in escrow shall have equal standing with bonds of the same issue.

(3) The municipality may issue bonds at any time to refund, in whole or in part, outstanding bonds issued pursuant to this act, including the payment of interest accrued, or to accrue, to the earliest or any subsequent date of redemption, purchase, or maturity of the bonds, redemption premium, if any, and any commission, service fees, and other expenses necessary to be paid in connection therewith, whether the bonds to be refunded have matured or are redeemable or shall thereafter mature or become redeemable. If considered advisable by the municipality, the municipality may issue bonds partly to refund outstanding bonds and partly for any other purpose contemplated by this act. Bonds issued to refund outstanding bonds may be issued in a principal amount greater than, the same as, or lesser than the principal amount of the bonds to be refunded, and may bear interest rates that are higher than, the same as, or lower than the interest rates of the bonds to be refunded. The interest rates, however, shall not exceed the maximum rate of interest permitted by the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

(4) The principal, interest, and redemption premiums, if any, on bonds issued by a municipality pursuant to this section to refund outstanding bonds shall be payable from 1 or more of the following:

(a) The net revenues derived from the facilities constructed, acquired, reconstructed, remodeled, or repaired with the proceeds of the bonds to be refunded.

(b) The proceeds of the refunding bonds.

(c) Investment earnings on the proceeds of the refunding bonds.

History: 1963, Act 62, Imd. Eff. May 8, 1963 ;-- Am. 1966, Act 340, Imd. Eff. Sept. 21, 1966 ;-- Am. 1978, Act 229, Imd. Eff. June 14, 1978 ;-- Am. 1980, Act 90, Imd. Eff. Apr. 16, 1980 ;-- Am. 2002, Act 297, Imd. Eff. May 9, 2002

125.1260 Cost of project.

Sec. 10.

In determining the cost of the project, the governing body may include all cost and estimated cost of the issuance of the bonds, all engineering, inspection, fiscal and legal expenses and interest which it is estimated will accrue during the construction period and for 6 months thereafter on money borrowed or which it is estimated will be borrowed pursuant to this act.

History: 1963, Act 62, Imd. Eff. May 8, 1963

125.1261 Taxation of lessee; liens; recovery.

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Sec. 11.

When any real or personal property acquired pursuant to this act is leased to a private person, firm or corporation, the lessee shall be subject to taxation in the same amount and to the same extent as though the lessee were the owner of the property. Taxes shall be assessed to the lessee of the real or personal property and collected in the same manner as taxes assessed to owners of real or personal property, except that the taxes shall not become a lien against the property. When due, the taxes shall constitute a debt due from the lessee to the taxing unit and shall be recoverable by direct action of assumpsit.

History: 1963, Act 62, Imd. Eff. May 8, 1963 ;-- Am. 1966, Act 340, Imd. Eff. Sept. 21, 1966

125.1262 Referendum; intention to issue bonds.

Sec. 12.

The governing body may issue bonds pursuant to this act without submitting the proposition to the electors of the municipality for approval unless within 45 days from the publication of a notice of intention to issue the bonds, which notice shall set forth the amount of the issue and the name of the person, firm or corporation who will lease the industrial building, the site therefor and the industrial machinery and equipment, a petition, signed by not less than 5% of the registered electors of the municipality is filed with the clerk of the municipality requesting a referendum upon the question of the issuance of the bonds, in which event the bonds shall not be issued until approved by a majority of the electors of the municipality voting thereon at a general or special election. The provisions of subdivision (g) of section 5 of Act No. 279 of the Public Acts of 1909, as amended, being section 117.5 of the Compiled Laws of 1948, relative to notice of intention to issue bonds, shall not apply to the authorization of the issuance of any bonds under this act.

History: 1963, Act 62, Imd. Eff. May 8, 1963 ;-- Am. 1966, Act 340, Imd. Eff. Sept. 21, 1966 ;-- Am. 1967, Act 48, Imd. Eff. June 14, 1967

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125.1262a Violation of MCL 168.1 to 168.992 applicable to petitions; penalties.

Sec. 12a.

A petition under section 12, including the circulation and signing of the petition, is subject to section 488 of the Michigan election law, 1954 PA 116, MCL 168.488. A person who violates a provision of the Michigan election law, 1954 PA 116, MCL 168.1 to 168.992, applicable to a petition described in this section is subject to the penalties prescribed for that violation in the Michigan election law, 1954 PA 116, MCL 168.1 to 168.992.

History: Add. 1998, Act 164, Eff. Mar. 23, 1999

125.1263 Issuance of bonds; application; resolution and project cost estimate; approval by municipal finance commission or successor agency; exception; effect of order; prior approval requirement subject to MCL 133.10 and 133.11; department of treasury order providing or denying exception from prior approval.

Sec. 13.

(1) Unless an exception from prior approval is available pursuant to subsection (3), before any bonds are issued under this act, the issuing municipality shall make a sworn application to

the municipal finance commission or its successor agency, on forms furnished by the commission, for permission to issue the bonds. The municipality shall attach a certified copy of the resolution authorizing the bonds and, except in the case of refunding bonds, a certified copy of the estimate of the cost of the project. The commission or its successor agency may request the municipality to furnish such information as the commission or its successor agency deems necessary in order to pass on the application. Unless an exception from prior approval is available pursuant to subsection (3), bonds shall not be issued until the municipal finance commission or its successor agency approves the issuance. In determining whether a proposed issue of bonds shall be approved, the municipal finance commission or its successor agency shall take into consideration: (a) whether the bonds conform to the provisions of this act; (b) whether the probable revenues pledged to the payment of the bonds will be sufficient to pay the principal and interest when due; and (c) whether the amount of the proposed issue is sufficient or excessive for the purpose for which they are to be issued.

(2) No order of the municipal finance commission or its successor agency permitting the issuance of bonds under this act shall be deemed an approval of the legality thereof. The issuance of the commission's or its successor agency's order granting permission to issue the bonds shall imply that the commission or its successor agency has made such determination of facts or circumstances, has given such approvals and has reached such opinions as are a necessary prerequisite to the issuance of the order.

(3) The requirement of subsection (1) for obtaining the prior approval of the municipal finance commission or its successor agency before issuing bonds under this act shall be subject to sections 10 and 11 of chapter III of Act No. 202 of the Public Acts of 1943, being sections 133.10 and 133.11 of the Michigan Compiled Laws, and the department of treasury shall have the same authority as provided by section 11 of chapter III of Act No. 202 of the Public Acts of 1943 to issue an order providing or denying an exception from the prior approval required by subsection (1) for bonds issued under this act.

History: 1963, Act 62, Imd. Eff. May 8, 1963 ;-- Am. 1983, Act 46, Imd. Eff. May 12, 1983

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125.1264 Sale of bonds.

Sec. 14.

Bonds issued under this act may be sold at private or public sale upon such terms as may be fixed by the governing body. Said bonds may be sold at a discount of not exceeding 10%: Provided, however, That said bonds shall not be sold at a price which would make the interest cost on the money borrowed after deducting any premium or adding any discount, exceed the maximum rate of interest permitted by Act No. 202 of the Public Acts of 1943, as amended, being sections 131.1 to 138.2 of the Michigan Compiled Laws.

History: Add. 1966, Act 340, Imd. Eff. Sept. 21, 1966 ;-- Am. 1967, Act 48, Imd. Eff. June 14, 1967 ;-- Am. 1973, Act 172, Imd. Eff. Dec. 21, 1973

125.1265 Municipalities; powers as to industrial buildings and machinery.

Sec. 15.

Nothing herein contained shall be interpreted to grant to any municipality the authority to operate an industrial building or any industrial machinery or equipment for its own use. The prohibition of this section shall not prevent a municipality from conserving and maintaining an

industrial building and site and any industrial machinery and equipment acquired hereunder pending lease thereof to a private person, firm or corporation.

History: Add. 1966, Act 340, Imd. Eff. Sept. 21, 1966

125.1266 Construction of act; cumulative powers.

Sec. 16.

This act shall be construed as granting cumulative authority for the exercise of the various powers herein conferred, and neither said powers nor any bonds issued hereunder shall be affected or limited by any other statutory or charter provision now or hereafter in force, other than as may be provided herein, it being the purpose and intention of this act to create full, separate and complete additional powers. The various powers conferred herein may be exercised independently and notwithstanding that no bonds are issued hereunder.

History: Add. 1966, Act 340, Imd. Eff. Sept. 21, 1966

125.1267 Liberal construction of act.

Sec. 17.

This act, being necessary for and to secure the public health, safety, convenience and welfare of the municipalities of the state of Michigan, shall be liberally construed to effect the public purposes hereof.

History: Add. 1966, Act 340, Imd. Eff. Sept. 21, 1966

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