



HOUSE BILL No. 4932

# HOUSE BILL No. 4932

July 13, 1993, Introduced by Reps. Sikkema, Gilmer, Richard A. Young, O'Neill, Johnson, Oxender, Emerson and Hood and referred to the Committee on Appropriations.

A bill to amend the title and sections 1, 5, 7, 8, and 9 of Act No. 183 of the Public Acts of 1964, entitled as amended

"An act creating the state building authority with power to acquire, construct, furnish, equip, own, improve, enlarge, operate, mortgage, and maintain buildings, necessary parking structures or lots and facilities, and sites therefor, or furnishings or equipment for the use of the state or any of its agencies; to act as a developer or co-owner of buildings, necessary parking structures or lots, and facilities, and sites therefor as a condominium project for the use of the state or any of its agencies; to authorize the execution of leases pertaining to such properties, facilities, furnishings, or equipment by the building authority with the state or any of its agencies; to authorize the payment of true rentals by the state; to provide for the issuance of revenue obligations by the building authority to be paid from the true rentals to be paid by the state and other resources and security provided for and pledged by the building authority; to authorize the creation of funds; to authorize the conveyance of lands by the state or any of its agencies for the purposes herein authorized; to authorize the appointment of a trustee for bondholders and to permit remedies for the benefit of bondholders; and to provide for other matters in relation thereto,"

sections 1 and 7 as amended by Act No. 248 of the Public Acts of 1988, sections 5 and 8 as amended by Act No. 35 of the Public

Acts of 1993, and section 9 as amended by Act No. 156 of the Public Acts of 1983, being sections 830.411, 830.415, 830.417, 830.418, and 830.419 of the Michigan Compiled Laws.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1 Section 1. The title and sections 1, 5, 7, 8, and 9 of Act  
2 No. 183 of the Public Acts of 1964, sections 1 and 7 as amended  
3 by Act No. 248 of the Public Acts of 1988, sections 5 and 8 as  
4 amended by Act No. 35 of the Public Acts of 1993, and section 9  
5 as amended by Act No. 156 of the Public Acts of 1983, being sec-  
6 tions 830.411, 830.415, 830.417, 830.418, and 830.419 of the  
7 Michigan Compiled Laws, are amended to read as follows:

8 TITLE

9 An act creating the state building authority with power to  
10 acquire, construct, furnish, equip, own, improve, enlarge, oper-  
11 ate, mortgage, and maintain ~~buildings, necessary parking struc-~~  
12 ~~tures or lots and facilities , and sites therefor, or furnish~~  
13 ~~ings or equipment~~ for the use of the state or any of its agen-  
14 cies; to act as a developer or co-owner of ~~buildings, necessary~~  
15 ~~parking structures or lots, and facilities , and sites~~  
16 ~~therefor~~ as a condominium project for the use of the state or  
17 any of its agencies; to authorize the execution of leases per-  
18 taining to ~~such properties, THOSE facilities , furnishings, or~~  
19 ~~equipment~~ by the building authority with the state or any of its  
20 agencies; to authorize the payment of true rentals by the state;  
21 to provide for the issuance of revenue obligations by the  
22 building authority to be paid from the true rentals to be paid by  
23 the state and other resources and security provided for and

1 pledged by the building authority; to authorize the creation of  
2 funds; to authorize the conveyance of lands by the state or any  
3 of its agencies for the purposes ~~herein~~ authorized IN THIS ACT;  
4 to authorize the appointment of a trustee for bondholders; ~~and~~  
5 to permit remedies for the benefit of ~~bondholders~~ PARTIES IN  
6 INTEREST; TO PROVIDE FOR OTHER POWERS AND DUTIES OF THE  
7 AUTHORITY; and to provide for other matters in relation ~~thereto~~  
8 TO THE AUTHORITY AND ITS OBLIGATIONS.

9 Sec. 1. As used in this act:

10 (a) "Building authority" means the state building authority  
11 created by this act.

12 (b) "State" means the legislative, executive, and judicial  
13 branches of state government and includes institutions of higher  
14 education.

15 (c) "Existing facilities" means all existing buildings and  
16 other facilities, the sites for the buildings or facilities, and  
17 furnishings or equipment for the buildings or facilities located  
18 on real property acquired by the building authority under the  
19 terms of this act.

20 (d) "Facilities" means furnishings or equipment, existing  
21 facilities, and all new buildings, parking structures and lots,  
22 and other facilities, the sites for the buildings, structures, or  
23 facilities, and furnishings or equipment for the buildings,  
24 structures, or facilities in any way acquired or constructed by  
25 the building authority under this act.

26 (e) "True rental" means the rental required to be paid by  
27 the state to the building authority under ~~any~~ A lease between

1 the state and the building authority entered into under this  
2 act. The true rental shall be paid by the state to the building  
3 authority or its assignee periodically as specified in the lease  
4 with the building authority and shall be in periodic amounts that  
5 do not exceed the economic or market value to the state of the  
6 leased facilities. The economic or market value to the state of  
7 the leased facilities shall be determined by the state adminis-  
8 trative board before the execution of ~~any~~ A lease by the state  
9 under this act by an appraisal made by or for the state using  
10 commonly employed procedures that will fairly determine economic  
11 or market value. ~~An appraisal, when~~ WHEN using procedures com-  
12 monly employed by appraisers, AN APPRAISAL may set forth a range  
13 for the true rental that reflects variations that may occur in  
14 the components upon which the appraisal is based. If a lease is  
15 only for furnishings or equipment, the state administrative board  
16 may employ an appraiser to determine the economic or market value  
17 to the state of the furnishings or equipment, or the state admin-  
18 istrative board may approve an alternative method to determine  
19 the economic or market value to the state of the furnishings or  
20 equipment. The alternative method may include the determination  
21 of the economic or market value to the state by a person who is  
22 in the business of leasing furnishings or equipment.

23 (f) "Board" means the board of trustees of the building  
24 authority.

25 (g) "Bond" ~~or "bonds"~~ or "obligation" ~~or "obligations"~~  
26 means ~~any~~ A bond, ~~or bonds,~~ note, ~~or notes,~~ or other debt

1 obligation ~~or obligations~~ issued by the building authority  
2 under section 8.

3 (h) ~~"Institutions"~~ "INSTITUTION of higher education" means  
4 a college or university listed in section 4 or 5 of article VIII  
5 of the state constitution of 1963 or described in section 6 of  
6 article VIII of the state constitution of 1963 or a community or  
7 junior college established under section 7 of article VIII of the  
8 state constitution of 1963.

9 (I) "EQUIPMENT" MEANS MACHINERY, HARDWARE, OR ANY OTHER TYPE  
10 OF EQUIPMENT, OR AN INTEREST IN MACHINERY, HARDWARE, OR ANY OTHER  
11 TYPE OF EQUIPMENT, WHETHER OR NOT THE EQUIPMENT IS LOCATED IN OR  
12 ON, OR IS RELATED TO, A BUILDING, STRUCTURE, OR REAL PROPERTY.  
13 EQUIPMENT INCLUDES, BUT IS NOT LIMITED TO, MOTORIZED AND NONMO-  
14 TORIZED VEHICLES, WATERCRAFT, COMMUNICATION AND TRANSMISSION  
15 DEVICES, SATELLITES, AND AIRCRAFT.

16 (J) "PARTY IN INTEREST" INCLUDES AN OWNER OF AN OBLIGATION  
17 ISSUED UNDER THIS ACT; A COUNTERPARTY TO AN AGREEMENT RELATING TO  
18 SECURITY OR MANAGEMENT OF PAYMENT, REVENUE, OR INTEREST RATE  
19 EXPOSURE, INCLUDING, BUT NOT LIMITED TO, A BANK, BOND INSURANCE  
20 PROVIDER, OR SECURITY FIRM, AS ITS INTEREST APPEARS; AND A  
21 TRUSTEE OR FIDUCIARY DULY DESIGNATED BY THE BUILDING AUTHORITY OR  
22 OTHERWISE TO ACT ON BEHALF OF 1 OR MORE OWNERS OR COUNTERPARTIES.

23 Sec. 5. (1) Property owned by the state may be conveyed to  
24 the building authority for any purpose expressed in this act,  
25 subject, however, to prior approval by the state administrative  
26 board, by the attorney general, and by concurrent resolution of  
27 the legislature concurred in by a majority of the members elected

1 to and serving in each house. The votes and names of the members  
2 voting on the resolution shall be entered in the journal. After  
3 approval as provided in this subsection, a conveyance shall be  
4 executed for and on behalf of the state by the governor and sec-  
5 retary of state, or in the event of the absence or disability of  
6 either of them, by the lieutenant governor or deputy secretary of  
7 state.

8 (2) In addition to other authority granted by law, property  
9 owned by an institution of higher education may be conveyed to  
10 the building authority for any purpose expressed in this act,  
11 subject, however, to approval by the governing body of the insti-  
12 tution of higher education, by the state administrative board,  
13 and by concurrent resolution of the legislature concurred in by a  
14 majority of the members elected to and serving in each house.  
15 The votes and names of the members voting on the resolution shall  
16 be entered in the journal. After approval as provided in this  
17 subsection, a conveyance shall be executed for and on behalf of  
18 the institution of higher education by authorized officers of the  
19 institution of higher education. IN ADDITION TO OTHER AUTHORITY  
20 GRANTED BY LAW, AN INSTITUTION OF HIGHER EDUCATION MAY ENTER INTO  
21 A LEASE WITH THE BUILDING AUTHORITY PURSUANT TO SECTION 6 FOR THE  
22 PERIOD PROVIDED IN THAT SECTION.

23 Sec. 7. (1) The state may lease FACILITIES from the build-  
24 ing authority for public purposes within the concepts provided in  
25 this act, ~~facilities,~~ upon terms and conditions agreed upon and  
26 subject to the limitations and provisions provided in section 6.  
27 Before execution, a lease shall be approved by the state

1 administrative board and, except as provided in subsection ~~(2)~~  
2 (3), by concurrent resolution of the legislature concurred in by  
3 a majority of the members elected to and serving in each house.  
4 The votes and names of the members voting shall be entered in the  
5 journal. The lease as approved by the building authority and the  
6 administrative board, and ~~—~~ if required, the legislature or an  
7 institution of higher education, may provide for a determinable  
8 true rental as a range as permitted under section 1(e). A LEASE  
9 UNDER THIS ACT MAY ALLOW FOR CREDITS AGAINST TRUE RENTAL AS PRO-  
10 VIDED IN SUBSECTIONS (4) AND (5).

11 (2) If a lease is approved containing a true rental stated  
12 as a range, then actual rental to be paid under the lease shall  
13 be fixed ~~within the range approved~~ at an amount certified by  
14 the appraiser and, ~~thereafter~~ AFTER THE CERTIFICATION, SHALL BE  
15 approved by the state administrative board and the building  
16 authority. THE APPRAISER SHALL NOT CERTIFY, AND THE BOARD AND  
17 AUTHORITY SHALL NOT APPROVE, A TRUE RENTAL AMOUNT UNLESS THE  
18 AMOUNT IS FIXED WITHIN OR BELOW THE STATED RANGE. A lease shall  
19 not be executed ~~with a true rental based upon an appraisal that~~  
20 ~~is~~ more than ~~1 year old at the time of execution~~ 3 YEARS AFTER  
21 ITS APPROVAL BY THE LEGISLATURE. The state shall pay to the  
22 building authority or its assignee the true rental at the times,  
23 in the manner, and at the place specified in the lease. The gov-  
24 ernor and the budget director shall include in the annual budget  
25 of the state for each year an amount fully sufficient to pay the  
26 true rental required to be paid by the state to the building  
27 authority or its assignee required by any lease under this act.

1 If the lease is for an institution of higher education, then in  
2 addition, the lease shall be authorized by the institution of  
3 higher education and signed by its authorized officers.

4 (3) ~~(2)~~ The state, except institutions of higher educa-  
5 tion, may lease from the building authority property that is com-  
6 prised only of furnishings or equipment if all of the following  
7 requirements are met:

8 (a) Before a lease that is only for furnishings or equipment  
9 is executed, the general form of the lease shall be approved by  
10 concurrent resolution of the legislature concurred in by a major-  
11 ity of the members elected to and serving in each house. The  
12 form of the lease approved by the legislature need not contain a  
13 description of the property to be leased or the rental or a  
14 rental range. However, before the state executes the lease, the  
15 description of the property to be leased and the rental shall be  
16 approved by the state administrative board as provided in subsec-  
17 tion ~~(1)~~ (2). The concurrent resolution of the legislature  
18 approving the form of lease shall also approve a maximum amount  
19 of furnishings and equipment that may be leased during the ~~+2~~  
20 ~~months~~ 2 YEARS following the approval of the lease pursuant to  
21 the form of lease approved.

22 (b) A lease that is only for furnishings or equipment shall  
23 be executed only if the furnishings or equipment are for use by a  
24 state agency as determined under the management and budget act,  
25 Act No. 431 of the Public Acts of 1984, being sections 18.1101 to  
26 18.1594 of the Michigan Compiled Laws.

1 (4) AS ORIGINALLY EXECUTED OR AS AMENDED IN WRITING BY ALL  
2 PARTIES TO THE LEASE, A LEASE UNDER THIS ACT MAY ALLOW CREDITS  
3 AGAINST TRUE RENTAL THAT MAY BE TAKEN UPON THE MUTUAL AGREEMENT  
4 OF THOSE PARTIES SPECIFIED IN THE LEASE, WHICH PARTIES NEED NOT  
5 INCLUDE ALL PARTIES TO THE LEASE, BUT ONLY IF BOTH OF THE FOLLOW-  
6 ING ARE TRUE:

7 (A) THE BUILDING AUTHORITY DETERMINES THAT THE CREDITS WILL  
8 NOT ADVERSELY IMPACT THE RIGHTS OF THE OWNERS OF OBLIGATIONS OR  
9 PARTIES TO AGREEMENTS FOR WHICH THE TRUE RENTAL IS PLEDGED AS  
10 SECURITY.

11 (B) THE BUILDING AUTHORITY VERIFIES THAT, IF RECEIVED IN THE  
12 TIME AND MANNER PROVIDED IN THE LEASE AND AGREEMENT PROVIDING FOR  
13 THE CREDITS, THE NET TRUE RENTAL, AFTER ALLOWANCE OF THE CREDITS,  
14 WILL BE SUFFICIENT TO DISCHARGE THE OBLIGATIONS AND AGREEMENTS  
15 FOR WHICH THE TRUE RENTAL IS OR WILL BE PLEDGED.

16 (5) A LEASE UNDER THIS ACT MAY ALLOW CREDITS AGAINST TRUE  
17 RENTAL TO BE MADE UPON THE REQUEST BY THE STATE ACTING THROUGH  
18 THE STATE ADMINISTRATIVE BOARD. THE CREDITS ARE ALLOWED ONLY  
19 FROM INTEREST EARNINGS ON TRUE RENTAL PAID TO THE BUILDING  
20 AUTHORITY AND EARNINGS ON A FUND OR RESERVE ESTABLISHED WITH  
21 RESPECT TO AN OBLIGATION ISSUED BY THE BUILDING AUTHORITY THAT  
22 PLEDGES THAT TRUE RENTAL AS SECURITY FOR PAYMENT OF THE  
23 OBLIGATION. IF REQUESTED BY THE STATE ADMINISTRATIVE BOARD, THE  
24 BUILDING AUTHORITY MAY CONSENT TO AMENDING AN EXISTING LEASE TO  
25 ALLOW RENTAL CREDITS AS PROVIDED IN THIS SUBSECTION. SUBJECT TO  
26 THE RIGHTS OF A HOLDER OF AN OBLIGATION OR A PARTY TO AN  
27 AGREEMENT THAT IS SECURED BY A PLEDGE OF THE TRUE RENTAL, SUCH AN

1 AMENDMENT REQUIRES ONLY THE APPROVAL OF THE STATE ADMINISTRATIVE  
2 BOARD AND THE BUILDING AUTHORITY.

3       Sec. 8. (1) By resolution or resolutions of its board, the  
4 building authority may provide for the issuance of revenue obli-  
5 gations, which may include revenue bonds, revenue notes, or other  
6 evidences of revenue indebtedness, and refunding revenue bonds or  
7 notes, or other refunding evidences of indebtedness, the obliga-  
8 tions for which shall not become a general obligation of the  
9 state or a charge against the state, but all revenue obligations  
10 and the interest on the revenue obligations and the call premiums  
11 for the revenue obligations shall be payable solely from true  
12 rental, except to the extent paid from the proceeds of sale of  
13 revenue obligations and any additional security provided for and  
14 pledged, or from other funds as provided in this act, and each  
15 revenue obligation shall have such a statement printed on the  
16 face of the revenue obligation. If the resolution of the build-  
17 ing authority provides for interest coupons to be attached to a  
18 revenue obligation, each interest coupon shall have a statement  
19 printed on the coupon that the coupon is not a general obligation  
20 of the state or the building authority but is payable solely from  
21 certain revenues as specified in the revenue obligation. Revenue  
22 obligations may be issued for the purpose of paying part or all  
23 of the costs of the facilities or for the purpose of refunding or  
24 advance refunding, in whole or in part, outstanding revenue obli-  
25 gations issued pursuant to this act whether the obligations to be  
26 refunded or advance refunded have matured or are redeemable or  
27 shall mature or become redeemable after being refunded. The cost

1 of the facilities may include an allowance for legal,  
2 engineering, architectural, and consulting services; interest on  
3 revenue obligations becoming due before the collection of the  
4 first true rental available for the payment of those revenue  
5 obligations; a reserve for the payment of principal, interest,  
6 and redemption premiums on the revenue obligations of the author-  
7 ity; and other necessary incidental expenses including, but not  
8 limited to, placement fees; ~~and~~ fees or charges for insurance,  
9 letters of credit, lines of credit, remarketing agreements, or  
10 commitments to purchase obligations issued pursuant to this act;  
11 FEES OR CHARGES ASSOCIATED WITH AN AGREEMENT TO MANAGE PAYMENT,  
12 REVENUE, OR INTEREST RATE EXPOSURE; or any other fees or charges  
13 for any other security provided to assure timely payment of the  
14 obligations.

15 (2) The proceeds of a revenue obligation issue may be used  
16 to pay the cost of facilities that are subject to more than 1  
17 lease if ~~both~~ EITHER SUBDIVISION (A) OR (B) IS TRUE:

18 (A) BOTH of the following are true:

19 (i) ~~(a)~~ The resolution authorizing the revenue obligations  
20 provides for the use of a specific allocable portion of the reve-  
21 nue obligation proceeds to pay the estimated cost of each of the  
22 facilities, together with the allocable portion of the reserves,  
23 discount, interest on the obligations becoming due before the  
24 first true rental available for payment of the obligations, and  
25 obligation issuance expense with respect to each facility.

26 (ii) ~~(b)~~ The true rental and other funds of the building  
27 authority and other security as provided in this act available

1 for the revenue obligations including other funds as provided in  
2 this act are sufficient to pay the allocable portion of the reve-  
3 nue obligation issue for which the true rental and other funds  
4 and security are pledged.

5 (B) THE OBLIGATION IS PART OF AN INTERIM FINANCING POOL  
6 DESCRIBED IN SUBSECTION (23).

7 (3) Revenue obligations that refund outstanding obligations  
8 may include the payment of interest accrued, or to accrue, to the  
9 earliest or any subsequent date of redemption, purchase, or matu-  
10 rity of the revenue obligations to be refunded, redemption premi-  
11 um, if any, and any commission, service fee, and other expense  
12 necessary to be paid in connection with revenue obligations that  
13 refund outstanding obligations. Proceeds of refunding revenue  
14 obligations may also be used to pay part of the cost of issuance  
15 of the refunding revenue obligations, interest on the refunding  
16 revenue obligations, a reserve for the payment of principal,  
17 interest, and redemption premiums on the refunding revenue obli-  
18 gations, and other necessary incidental expenses including, but  
19 not limited to, placement fees; fees or charges for insurance,  
20 letters of credit, lines of credit, remarketing agreements, or  
21 commitments to purchase obligations issued pursuant to this act;  
22 FEES OR CHARGES ASSOCIATED WITH AN AGREEMENT TO MANAGE PAYMENT,  
23 REVENUE, OR INTEREST RATE EXPOSURE; or any other fees or charges  
24 for any other security provided to assure timely payment of the  
25 obligations. The building authority may also provide for the  
26 withdrawal of any funds from a reserve created for the payment of  
27 principal, interest, and redemption premiums on the refunded

1 obligations and for the deposit of those funds in the reserve for  
2 the payment of principal, interest, and redemption premiums on  
3 the refunding obligations or may provide for use of that reserve  
4 money to pay principal, interest, and redemption premiums on the  
5 obligations to be refunded. Obligations issued to refund out-  
6 standing obligations may be issued in a principal amount greater  
7 than, the same as, or less than the principal amount of the obli-  
8 gations to be refunded, and subject to the maximum rate of inter-  
9 est provided in subsection (8), may bear interest rates that are  
10 higher than, the same as, or lower than the interest rates of the  
11 obligations to be refunded. If obligations are issued to refund  
12 outstanding obligations of the authority, a lease whose rental  
13 has been pledged for repayment of the obligations to be refunded  
14 shall not be terminated solely by reason of the payment or provi-  
15 sion for payment of the obligations to be refunded, and the lease  
16 and all of the rights and obligations under the lease remain in  
17 full force and effect in accordance with its terms.

18 (4) Except as otherwise provided in this section, the build-  
19 ing authority shall use income or profit derived from the invest-  
20 ment of money in a fund or account of the building authority,  
21 including the proceeds of sale of the revenue obligations, only  
22 for the purpose of paying principal, interest, and redemption  
23 premiums on the revenue obligations of the building authority, or  
24 for any purpose for which the proceeds of the revenue obligations  
25 may be used under this act, as determined by the resolution of  
26 the board authorizing the issuance of revenue obligations.

1           (5) ~~The~~ WITHIN LIMITS CONSIDERED APPROPRIATE AND  
2 ESTABLISHED BY THE BOARD, THE board may authorize by resolution A  
3 MEMBER OF THE BOARD OR the person appointed by the building  
4 authority as its chief operating officer or chief staff person,  
5 ~~to issue and deliver obligations for and on behalf of the build-~~  
6 ~~ing authority,~~ if the authorization limits or prescribes the  
7 maximum interest rates, minimum price, maximum principal amount,  
8 and the latest maturity date of the obligations, TO DO ANY OF THE  
9 FOLLOWING:

10           (A) DETERMINE INTEREST RATES OR METHODS FOR DETERMINING  
11 INTEREST RATES FOR, MATURITIES OF, PRINCIPAL AMOUNTS OF, DENOMI-  
12 NATIONS OF, DATES OF ISSUANCE OF, INTEREST PAYMENT DATES FOR,  
13 REDEMPTION RIGHTS AND THE TERMS UNDER WHICH REDEMPTION RIGHTS MAY  
14 BE WAIVED, TRANSFERRED, OR SOLD, PREPAYMENT RIGHTS WITH RESPECT  
15 TO, THE PURCHASE PRICE OF, AND THE TYPE OF FUNDS FOR SETTLEMENT  
16 OF OBLIGATIONS.

17           (B) ON BEHALF OF THE BUILDING AUTHORITY, NEGOTIATE THE TERMS  
18 OF, INCLUDING FEES, EXPENSES, OR CHARGES OF ANY KIND, EXECUTE,  
19 AND DELIVER REMARKETING AGREEMENTS, DEALER AGREEMENTS, AGREEMENTS  
20 RELATING TO LETTERS OF CREDIT, LINES OF CREDIT, STANDBY NOTE OR  
21 BOND PURCHASE AGREEMENTS, BOND INSURANCE, OR ANY OTHER INSTRU-  
22 MENTS OR AGREEMENTS PROVIDING SECURITY OR LIQUIDITY FOR OBLIGA-  
23 TIONS OF THE BUILDING AUTHORITY.

24           (C) ON BEHALF OF THE BUILDING AUTHORITY, NEGOTIATE THE TERMS  
25 OF, INCLUDING FEES, EXPENSES, OR CHARGES OF ANY KIND, EXECUTE,  
26 AND DELIVER AGREEMENTS TO MANAGE PAYMENT, REVENUE, OR INTEREST  
27 RATE EXPOSURE AS DESCRIBED IN SUBSECTION (22).

1 (D) ON BEHALF OF THE BUILDING AUTHORITY, NEGOTIATE THE TERMS  
2 OF, INCLUDING FEES, EXPENSES, AND CHARGES OF ANY KIND, EXECUTE,  
3 AND DELIVER AGREEMENTS FOR, OR OTHERWISE PROCURE, PROFESSIONAL,  
4 TECHNICAL, CONSULTING, FIDUCIARY, UNDERWRITING, DEALER, REMARKET-  
5 ING, OR ADMINISTRATIVE SERVICES NECESSARY OR APPROPRIATE FOR THE  
6 ISSUANCE OF OBLIGATIONS OR THE NEGOTIATION, EXECUTION, AND DELIV-  
7 ERY OF ANY OTHER AGREEMENT DESCRIBED IN THIS SUBSECTION.

8 (E) TAKE ANY OTHER ACTION ON BEHALF OF THE BOARD THAT THE  
9 BOARD CONSIDERS NECESSARY OR APPROPRIATE IN CONNECTION WITH THE  
10 ISSUANCE OF OBLIGATIONS OR THE NEGOTIATION, EXECUTION, AND DELIV-  
11 ERY OF AGREEMENTS DESCRIBED IN THIS SUBSECTION.

12 (6) To the extent provided by resolution of the board, prin-  
13 cipal of, and interest and redemption premiums on, revenue obli-  
14 gations issued for the purpose of paying all or part of the cost  
15 of the facilities shall be secured by and payable only from any  
16 or all of the following sources:

17 (a) The true rental derived from the facilities constructed  
18 or acquired with the proceeds of the revenue obligations.

19 (b) The proceeds of revenue obligations.

20 (c) The reserve, if any, established for the payment of  
21 principal of, or interest or redemption premiums on, the  
22 obligations.

23 (d) The proceeds of insurance, a letter of credit, or a line  
24 of credit acquired as security for the revenue obligations.

25 (e) The proceeds of obligations issued to refund the revenue  
26 obligations.

1 (f) The proceeds of the foreclosure or enforcement of a  
2 mortgage, security interest, or deed of trust on the facilities  
3 financed by the revenue obligations granted by the authority as  
4 security for the revenue obligations.

5 (g) Other funds of the authority not previously pledged for  
6 other obligations of the authority, including funds of the  
7 authority derived from rentals and other revenues, investment  
8 income or profit, or funds or accounts relating to other  
9 facilities, AND PAYMENTS RECEIVED PURSUANT TO AN AGREEMENT TO  
10 MANAGE PAYMENT, REVENUE, OR INTEREST RATE EXPOSURE AS PROVIDED IN  
11 SUBSECTION (22).

12 (h) Investment earnings and profits on any or all of the  
13 sources described in subdivisions (a) to (g).

14 (7) To the extent provided by resolution of the board, prin-  
15 cipal of, and interest and redemption premiums on, refunding rev-  
16 enue obligations shall be secured by and payable only from any or  
17 all of the following sources:

18 (a) The true rental derived from the facilities constructed  
19 or acquired with the proceeds of the obligations being refunded.

20 (b) The proceeds of the refunding obligations.

21 (c) The reserve, if any, established for the payment of the  
22 principal of, or interest and redemption premiums on, the refund-  
23 ing obligations or the obligations to be refunded.

24 (d) The proceeds of insurance, a letter of credit, or a line  
25 of credit acquired as security for the revenue obligations.

26 (e) The proceeds of obligations issued to refund the  
27 refunding obligations.

1 (f) The proceeds of the foreclosure or enforcement of any  
2 mortgage, security interest, or deed of trust on the facilities  
3 financed from the proceeds of the obligations being refunded,  
4 granted by the authority as security for the refunding  
5 obligations.

6 (g) Other funds of the authority not previously pledged for  
7 other obligations of the authority, including other funds of the  
8 authority derived from rentals and other revenues, investment  
9 income or profit, or funds or accounts relating to other  
10 facilities, AND PAYMENTS RECEIVED PURSUANT TO AN AGREEMENT TO  
11 MANAGE PAYMENT, REVENUE, OR INTEREST RATE EXPOSURE AS PROVIDED IN  
12 SUBSECTION (22).

13 (h) Investment earnings or profits on any of the sources  
14 described in subdivisions (a) to (g).

15 (8) Obligations issued under this act may be either serial  
16 obligations or term obligations, or any combination of serial or  
17 term obligations. The obligations shall mature not more than 40  
18 years from their date, and in any event not more than 1 year from  
19 the due date of the last true rental pledged for the payment of  
20 the obligations, and may bear interest at fixed or variable  
21 interest rates, or may be without stated interest, but the net  
22 interest rate or rates of interest, taking into account any dis-  
23 count on the sale of the obligations, shall not exceed 18% or a  
24 higher rate if permitted by the municipal finance act, Act  
25 No. 202 of the Public Acts of 1943, as amended, being sections  
26 131.1 to 139.3 of the Michigan Compiled Laws. The obligations  
27 may be sold at a discount.

1           (9) Except as otherwise provided in this subsection, in the  
2 resolution or resolutions authorizing the issuance of the obliga-  
3 tions, the board shall determine the principal amount of the  
4 obligations to be issued, the registration provisions, the date  
5 of issuance, the obligation numbers, the obligation denomina-  
6 tions, the obligation designations, the obligation maturities,  
7 the interest payment dates, the paying agent or paying agents or  
8 the method of selection of the agent or agents, the rights of  
9 prior redemption of the obligations, AND THE TERMS UNDER WHICH  
10 REDEMPTION RIGHTS MAY BE WAIVED, TRANSFERRED, OR SOLD, the rights  
11 of the holders to require prepayment of the principal of or  
12 interest on the obligations, the maximum rate of interest, the  
13 method of execution of the obligations, and such other provisions  
14 respecting the obligations, the rights of the holders of the  
15 obligations, the security for the obligations, and the procedures  
16 for disbursement of the obligation proceeds and for the invest-  
17 ment of the proceeds of obligations and money for the payment of  
18 obligations. ~~However, the determination of interest rates,~~  
19 ~~maturities, principal amounts, denominations, dates of issuance,~~  
20 ~~interest payment dates, redemption rights, and prepayment rights~~  
21 ~~may, within limits set by the board, be made by the chief operat-~~  
22 ~~ing officer or chief staff person of the building authority, as~~  
23 ~~provided in this act.~~ RATHER THAN MAKING THE DETERMINATIONS  
24 REQUIRED BY THIS SUBSECTION, THE BOARD MAY AUTHORIZE A PERSON  
25 IDENTIFIED IN SUBSECTION (5) TO MAKE THE DETERMINATIONS AND TAKE  
26 THE ACTIONS AUTHORIZED UNDER SUBSECTION (5).

1 (10) The board in the resolution or resolutions authorizing  
2 the issuance of obligations may provide for the assignment of the  
3 true rental to be paid by the state under the lease or leases to  
4 1 of the paying agents for the obligations or to a trustee, as  
5 provided in this act, in which case the state shall pay the  
6 rental to the paying agent or trustee. For the purposes and  
7 within the limitations set forth in this act, the board may by  
8 resolution covenant to issue or cause to be issued, or use its  
9 best efforts to issue or cause to be issued, refunding revenue  
10 obligations to refund obligations issued under this act.

11 (11) The board in the resolution, or resolutions, authoriz-  
12 ing the obligations may provide for the terms and conditions upon  
13 which the holders of the obligations, or a portion of the obliga-  
14 tions or a trustee for the obligations, is entitled to the  
15 appointment of a receiver. The receiver may enter and take pos-  
16 session of the facility, may lease and maintain the facility, may  
17 prescribe rentals and collect, receive, and apply income and rev-  
18 enues thereafter arising from the facility in the same manner and  
19 to the same extent that the authority is so authorized. The res-  
20 olution or resolutions may provide for the appointment of a  
21 trustee for the holders of the obligations, may give to the  
22 trustee the appropriate rights, duties, remedies, and powers,  
23 with or without the execution of a deed of trust or mortgage,  
24 necessary and appropriate to secure the obligations, and may pro-  
25 vide that the principal of and interest on any obligations issued  
26 under this act shall be secured by a mortgage, security interest,  
27 or deed of trust covering the facility, which mortgage, security

1 interest, or deed of trust may contain the covenants, agreements,  
2 and remedies as will properly safeguard the obligations as may be  
3 provided for in the resolution or resolutions authorizing the  
4 obligations, including the right to sell the facility upon fore-  
5 closure sale, not inconsistent with this act.

6 (12) All obligations and the interest coupons, if any,  
7 attached to the obligations are declared to be fully negotiable  
8 and to have all of the qualities incident to negotiable instru-  
9 ments under the uniform commercial code, Act No. 174 of the  
10 Public Acts of 1962, as amended, being sections 440.1101 to  
11 440.11102 of the Michigan Compiled Laws, subject only to the pro-  
12 visions for registration of the obligations that may appear on  
13 the obligations. The obligations and interest on the obligations  
14 are exempt from all taxation by the state or any of its political  
15 subdivisions.

16 (13) Unless an exception from prior approval is available  
17 pursuant to subsection (18), the issuance of the obligations is  
18 subject to approval of the department of treasury under Act  
19 No. 202 of the Public Acts of 1943, as amended. However, Act  
20 No. 202 of the Public Acts of 1943, as amended, except as other-  
21 wise provided in this act, is not applicable to the issuance of  
22 obligations. The department of treasury shall issue its order of  
23 approval when it has determined all of the following:

24 (a) That the revenues, properties, and other securities  
25 pledged for revenue obligations are sufficient.

26 (b) That, to the extent authorized by the building  
27 authority, insurance, letters of credit, irrevocable commitments

1 to purchase revenue obligations, or other transactions to provide  
2 separate security to assure timely payment of any revenue obliga-  
3 tions of the building authority have been provided, and in fact,  
4 those transactions do provide resources, when taken with true  
5 rental and proceeds authorized by this act, for the prompt repay-  
6 ment of the revenue obligations.

7 (c) That the purpose for which the revenue obligations are  
8 issued and the manner in which the revenue obligations are pro-  
9 posed to be issued comply with this act.

10 (14) When prior approval is required, the department of  
11 treasury may approve the issuance from time to time of obliga-  
12 tions to refinance by refunding any obligations at the same time  
13 it approves the issuance of the obligations to be refunded. IF  
14 THE DEPARTMENT OF TREASURY APPROVES A POOL OF OBLIGATIONS ESTAB-  
15 LISHED UNDER SUBSECTION (23), THAT APPROVAL IS AN APPROVAL OF ALL  
16 OBLIGATIONS ISSUED WITHIN THAT POOL. The department of treasury  
17 may require the building authority to file with the department of  
18 treasury periodic reports and information as the department of  
19 treasury considers necessary. The department of treasury has the  
20 enforcement and remedial powers with respect to the building  
21 authority and its obligations as are provided by Act No. 202 of  
22 the Public Acts of 1943, as amended, or other provisions of law.

23 (15) The obligations may be sold at private or at public  
24 sale UNDER THE PROCEDURES AND SUBJECT TO THE CONDITIONS PRE-  
25 SCRIBED BY RESOLUTION OF THE BOARD. ~~if sold at public sale,~~  
26 ~~notice of the sale of the obligations shall be published once at~~  
27 ~~least 7 days before the date of sale in a publication approved by~~

1 ~~the department of treasury as a publication carrying as part of~~  
2 ~~its regular services notices of sale of municipal bonds and in a~~  
3 ~~newspaper of general circulation published in the state.~~

4 (16) The building authority may issue additional obligations  
5 of equal standing with respect to the pledge of the true rentals  
6 and additional security provided pursuant to this act with previ-  
7 ously issued obligations of the building authority issued to  
8 acquire or construct a facility or facilities, or to refund the  
9 obligations, for the purpose of completing, or making additions,  
10 improvements, or replacements to, the facility or facilities for  
11 which the previous obligations of the authority were issued or to  
12 refund all or part of obligations previously issued for such a  
13 facility, under the terms and conditions provided in the resolu-  
14 tion authorizing the previous issue of obligations.

15 (17) The authority shall not have obligations outstanding at  
16 any time for any of its corporate purposes in a principal  
17 amount totaling more than \$2,000,000,000.00, which limitations  
18 shall not include principal appreciation as provided in  
19 subsection (20) or obligations or portions of obligations used  
20 to pay for any of the following:

21 (a) Amounts set aside for payment of interest becoming due  
22 before the collection of the first true rental available.

23 (b) Amounts set aside for a reserve for payment of princi-  
24 pal, interest, and redemption premiums.

25 (c) Costs of issuance of the obligations and the discount,  
26 if any, on sale.

1 (d) The sums expected to be set aside for the purposes  
2 provided in ~~subdivisions (a), (b), and (c)~~ THIS SUBSECTION for  
3 any obligations authorized by the authority but not sold. The  
4 amount set aside or expected to be set aside for the purposes  
5 provided in ~~subdivisions (a), (b), (c), and this subdivision~~  
6 SUBSECTION shall be conclusively determined by a certificate set-  
7 ting forth the amounts executed by the executive director of the  
8 building authority. In addition, there shall be excluded from  
9 the limitation obligations issued to refund prior obligations IF  
10 THOSE PRIOR OBLIGATIONS WILL NOT BE RETIRED WITHIN 90 DAYS AFTER  
11 THE DATE OF ISSUANCE OF THE REFUNDING OBLIGATIONS. IF AN OBLIGA-  
12 TION IS ISSUED TO RETIRE A PRIOR OBLIGATION WITHIN 90 DAYS AFTER  
13 THE DATE OF ISSUANCE OF THE REFUNDING OBLIGATION, THE OBLIGATION  
14 IS COUNTED AGAINST THE LIMITATION WHEN THE REFUNDED OBLIGATION IS  
15 RETIRED.

16 (18) The requirement of subsection (13) for obtaining the  
17 prior approval of the department of treasury before issuing obli-  
18 gations under this section is subject to sections 10 and 11 of  
19 chapter III of Act No. 202 of the Public Acts of 1943, being sec-  
20 tions 133.10 and 133.11 of the Michigan Compiled Laws, and the  
21 department of treasury has the same authority as provided by sec-  
22 tion 11 of chapter III of Act No. 202 of the Public Acts of 1943  
23 to issue an order providing or denying an exception from the  
24 prior approval required by subsection (13) for obligations autho-  
25 rized by this act.

26 (19) The authority may apply and pledge, if not already  
27 pledged, all or any unpledged part of the true rental and other

1 revenues of a facility; income and profit from the investment of  
2 money pertaining to a facility; and money in a fund or account of  
3 the authority pertaining to a facility to pay the principal,  
4 interest, and redemption premiums on revenue obligations of the  
5 authority other than those to which the true rental and other  
6 revenues, investment income, or profit or funds or accounts per-  
7 tain; TO PAY AMOUNTS DUE UNDER AN AGREEMENT TO MANAGE PAYMENT,  
8 REVENUE, OR INTEREST RATE EXPOSURE REGARDLESS OF THE OBLIGATIONS  
9 OR INVESTMENTS TO WHICH THE AGREEMENT RELATES; or to pay part or  
10 all of the cost of additional facilities to be acquired by the  
11 authority for the use of the state. The authority may establish  
12 a separate fund into which the rental and other revenues, invest-  
13 ment income or profit, or money of such a fund or account shall  
14 be deposited to be used to pay principal, interest, and redemp-  
15 tion premiums on outstanding obligations of the authority or to  
16 acquire facilities for the use of the state. The authority shall  
17 not acquire a facility unless the acquisition is approved by the  
18 state administrative board and by a concurrent resolution of the  
19 legislature approved by a majority of the members elected to and  
20 serving in each house. The authority may pledge any or all of  
21 the foregoing to the payment of revenue obligations of the  
22 authority other than those to which they pertain. If the true  
23 rental and other revenues, investment income or profit, or the  
24 money in funds or accounts to be applied as specified in this  
25 subsection pertain to a facility leased to the state and an  
26 institution of higher education pursuant to a lease executed and  
27 delivered before January 1, 1983, no application or pledge

1 thereof may be made unless approved by the institution of higher  
2 education.

3 (20) If the authority issues an obligation that appreciates  
4 in principal amount, the amount of principal appreciation each  
5 year on that obligation, after the date of original issuance,  
6 shall not be considered to be principal indebtedness for the pur-  
7 poses of the limitation in subsection (17) or any other  
8 limitation. The appreciation of principal after the date of  
9 original issue shall be considered interest and shall be within  
10 the interest rate limitations set forth in this act.

11 (21) Of the \$2,000,000,000.00 authorized under subsection  
12 (17), priority shall be determined by the joint capital outlay  
13 committee AND THE DEPARTMENT OF MANAGEMENT AND BUDGET.

14 (22) IN CONNECTION WITH AN OBLIGATION ISSUED PREVIOUSLY OR  
15 TO BE ISSUED UNDER THIS ACT OR AN INVESTMENT MADE PREVIOUSLY OR  
16 TO BE MADE, THE BOARD MAY BY RESOLUTION AUTHORIZE AND APPROVE THE  
17 EXECUTION AND DELIVERY OF AN AGREEMENT TO MANAGE PAYMENT, REVE-  
18 NUE, OR INTEREST RATE EXPOSURE. THE AGREEMENT MAY INCLUDE, BUT  
19 IS NOT LIMITED TO, AN INTEREST RATE EXCHANGE AGREEMENT, AN AGREE-  
20 MENT PROVIDING FOR PAYMENT OR RECEIPT OF MONEY BASED ON LEVELS OF  
21 OR CHANGES IN INTEREST RATES, AN AGREEMENT TO EXCHANGE CASH FLOWS  
22 OR SERIES OF PAYMENTS, OR AN AGREEMENT PROVIDING FOR OR INCOR-  
23 PORATING INTEREST RATE CAPS, COLLARS, FLOORS, OR LOCKS. SUBJECT  
24 TO A PRIOR PLEDGE OR LIEN CREATED UNDER THIS ACT, A PAYMENT TO BE  
25 MADE BY THE BUILDING AUTHORITY UNDER AN AGREEMENT DESCRIBED IN  
26 THIS SUBSECTION IS PAYABLE, TOGETHER WITH OTHER OBLIGATIONS OF  
27 THE BUILDING AUTHORITY, FROM THOSE SOURCES DESCRIBED IN

1 SUBSECTIONS (6) AND (7), ALL WITH THE PARITY OR PRIORITY AND UPON  
2 THE CONDITIONS SET FORTH IN THE BOARD'S RESOLUTION. AN AGREEMENT  
3 ENTERED INTO UNDER THIS SUBSECTION IS NOT A GENERAL OBLIGATION OF  
4 THE STATE OR THE BUILDING AUTHORITY, AND THE AGREEMENT DOES NOT  
5 COUNT AGAINST THE LIMITATION ON OUTSTANDING OBLIGATIONS CONTAINED  
6 IN SUBSECTION (17).

7 (23) THE BUILDING AUTHORITY MAY AUTHORIZE BY RESOLUTION A  
8 POOL OF OBLIGATIONS TO MEET INTERIM FINANCING NEEDS. A POOL MAY  
9 BE ISSUED IN 1 OR MORE SERIES, MAY RELATE TO 1 OR MORE PROJECTS,  
10 AND IS SUBJECT TO ALL OF THE FOLLOWING:

11 (A) THE BOARD'S RESOLUTION APPROVING THE POOL SHALL STATE AT  
12 LEAST ALL OF THE FOLLOWING:

13 (i) THE NAME OR DESIGNATION OF THE POOL TO DISTINGUISH IT  
14 FROM ANY OTHER POOL ISSUED UNDER THIS SUBSECTION.

15 (ii) THE LATEST DATE BY WHICH AN OBLIGATION ISSUED UNDER THE  
16 POOL MUST MATURE, WHICH SHALL NOT BE LATER THAN 5 YEARS AFTER THE  
17 DATE ON WHICH THE POOL IS ESTABLISHED. THE DURATION OF THE POOL  
18 SHALL BE THE TIME FROM THE DATE ON WHICH THE POOL IS ESTABLISHED  
19 TO THE LATEST POSSIBLE MATURITY DATE OF OBLIGATIONS ISSUED PURSU-  
20 ANT TO THE POOL, OR SOONER AS PROVIDED BY RESOLUTION.

21 (iii) THE MAXIMUM PAR AMOUNT OF OBLIGATIONS THAT MAY BE OUT-  
22 STANDING AT ANY TIME DURING THE DURATION OF THE POOL. THE RESO-  
23 LUTION MAY STATE THE MAXIMUM PAR AMOUNT OF OBLIGATIONS THAT MAY  
24 BE ISSUED PURSUANT TO THE POOL.

25 (iv) OTHER TERMS OF THE OBLIGATIONS AS PROVIDED IN SUBSEC-  
26 TION (8) OR THE LIMITS WITHIN WHICH THE CHIEF OPERATING OFFICER,

1 CHIEF STAFF PERSON, OR MEMBER OF THE BOARD SHALL DETERMINE THOSE  
2 TERMS AS PROVIDED IN SUBSECTION (5).

3 (v) THE SECURITY FOR OBLIGATIONS ISSUED PURSUANT TO THE  
4 POOL.

5 (vi) OTHER PROVISIONS, NOT INCONSISTENT WITH THE TERMS OF  
6 THIS ACT, THAT THE BOARD DETERMINES TO BE NECESSARY OR APPROPRI-  
7 ATE TO THE POOL.

8 (B) PROCEEDS OF OBLIGATIONS ISSUED AS PART OF A POOL ESTAB-  
9 LISHED UNDER THIS SUBSECTION MAY BE USED FOR ANY OF THE PURPOSES  
10 FOR WHICH REVENUE OBLIGATIONS OF THE BUILDING AUTHORITY MAY BE  
11 USED AS DESCRIBED IN SUBSECTION (1). HOWEVER, AN OBLIGATION  
12 SHALL NOT BE ISSUED WITH RESPECT TO A FACILITY UNLESS ALL OF THE  
13 FOLLOWING ARE TRUE:

14 (i) THE BOARD APPROVES THE FINANCING OF THE FACILITY PURSU-  
15 ANT TO THE POOL, WHICH APPROVAL MAY BE MADE AT THE SAME TIME AS  
16 OR AFTER THE ESTABLISHMENT OF THE POOL.

17 (ii) THE BOARD APPROVES THE PROPOSED FORM OF LEASE FOR THE  
18 FACILITY, WHICH APPROVAL MAY BE MADE PRIOR TO, AT THE SAME TIME  
19 AS, OR AFTER THE ESTABLISHMENT OF THE POOL.

20 (iii) THE STATE ADMINISTRATIVE BOARD, AN INSTITUTION OF  
21 HIGHER EDUCATION, IF APPLICABLE, AND THE LEGISLATURE HAVE  
22 APPROVED THE FORM OF THE LEASE AS REQUIRED BY SECTION 7, WHICH  
23 APPROVAL MAY BE MADE PRIOR TO, AT THE SAME TIME AS, OR AFTER THE  
24 ESTABLISHMENT OF THE POOL.

25 (iv) THE AGGREGATE AMOUNTS OF OBLIGATIONS ISSUED AND OUT-  
26 STANDING WITH RESPECT TO A FACILITY UNDER A POOL, TOGETHER WITH  
27 OTHER OBLIGATIONS THAT MAY HAVE BEEN ISSUED AND ARE OUTSTANDING

1 WITH RESPECT TO THE FACILITY UNDER THIS ACT DO NOT EXCEED THE  
 2 COST OF THE FACILITY, INCLUDING ALLOWABLE INTEREST COSTS, AS  
 3 APPROVED BY THE STATE ADMINISTRATIVE BOARD, AN INSTITUTION OF  
 4 HIGHER EDUCATION, IF APPLICABLE, AND THE LEGISLATURE.

5 (v) ON OR BEFORE THE ISSUANCE OF OBLIGATIONS THE PROCEEDS OF  
 6 WHICH ARE TO FINANCE THE ACQUISITION, CONSTRUCTION, RENOVATION,  
 7 OR REHABILITATION OF THE FACILITY, THE BUILDING AUTHORITY AND THE  
 8 STATE, AND, IF APPLICABLE, AN INSTITUTION OF HIGHER EDUCATION,  
 9 ENTER INTO THE LEASE OR AN AGREEMENT TO CONSTRUCT OR ACQUIRE THE  
 10 FACILITY, WHICH LEASE OR AGREEMENT SETS FORTH THE TERMS AND CON-  
 11 DITIONS UNDER WHICH THE BUILDING AUTHORITY WILL FINANCE THE CON-  
 12 STRUCTION OR ACQUISITION OF THE FACILITY FOR LEASE TO THE STATE  
 13 OR TO THE STATE AND ANY APPLICABLE INSTITUTION OF HIGHER  
 14 EDUCATION.

15 Sec. 9. ~~The resolution or resolutions of the~~ A board  
 16 RESOLUTION authorizing the issuance of ~~the bonds~~ AN OBLIGATION,  
 17 OR AN AGREEMENT RELATING TO THE SECURITY OF THE OBLIGATION OR  
 18 AGREEMENT TO MANAGE PAYMENT, REVENUE, OR INTEREST RATE EXPOSURE  
 19 WITH RESPECT TO THE OBLIGATION, may assign, pledge, and create a  
 20 statutory first lien, AND 1 OR MORE SUBORDINATE LIENS, on the  
 21 true rental for a facility and on the other revenues, funds, and  
 22 accounts described in section 8 to and in favor of ~~the holders~~  
 23 ~~of bonds issued hereunder or interest coupons appertaining~~  
 24 ~~thereto~~ PARTIES IN INTEREST. An assignment or pledge made by  
 25 the building authority ~~shall be~~ IS valid and binding from the  
 26 date of delivery of the ~~bonds~~ OBLIGATION, OR AS APPLICABLE, AN  
 27 AGREEMENT RELATED TO SECURITY OR MANAGEMENT OF PAYMENT, REVENUE,

1 OR INTEREST RATE EXPOSURE. The lien of the assignment and pledge  
2 ~~shall be~~ IS effective without ~~any~~ physical delivery or fur-  
3 ther action and ~~shall be~~ IS valid and binding ~~as~~ against par-  
4 ties having claims of any kind against the building authority  
5 irrespective of whether the parties have notice ~~thereof~~ OF THE  
6 LIEN AND PLEDGE. The resolution, and any instrument by which the  
7 assignment or pledge is made or created, need not be recorded.  
8 ~~Any holder of bonds issued under the provisions of this act, or~~  
9 ~~any coupons appertaining thereto, either by~~ BY suit, action,  
10 mandamus, or other proceedings, A PARTY IN INTEREST may protect  
11 and enforce the statutory first lien and any and all rights of  
12 the ~~bondholders~~ PARTIES IN INTEREST under the laws of the  
13 state, ~~or granted hereunder,~~ or under ~~the~~ A resolution ~~or~~  
14 ~~resolutions~~ authorizing the issuance of the ~~bonds~~ OBLIGATION,  
15 OR AS APPLICABLE, AN AGREEMENT RELATED TO SECURITY OR MANAGEMENT  
16 OF PAYMENT, REVENUE, OR INTEREST RATE EXPOSURE, and may enforce  
17 and compel the performance of all duties required by this act,  
18 the resolution, or the lease to be performed by the building  
19 authority, the state, or any officers ~~thereof~~ OF THE STATE. An  
20 action, mandamus, or other proceedings may be brought by a  
21 ~~holder of bonds issued~~ PARTY IN INTEREST CONCERNING AN OBLIGA-  
22 TION OR AGREEMENT under this act directly against the state to  
23 compel the performance of the duties of the state required by  
24 this act, the resolution, or the lease.