



# SENATE BILL No. 606

May 4, 1993, Introduced by Senator SCHWARZ and referred to the Committee on Finance.

A bill to create incentives for the federal government to locate and maintain federal data facilities within this state; to create certain funds; to authorize expenditures from the funds; to authorize the issuance, use, and payment of bonds, obligations, and other evidences of indebtedness; to finance the development of facilities and of public improvements or related facilities; to provide for appropriations; and to prescribe the powers and duties of certain state officials.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 1. This act shall be known and may be cited as "the  
2 federal data facility act".

3       Sec. 2. The legislature of this state finds and declares  
4 that there exists in this state continuing need for programs to  
5 assist certain municipalities in encouraging federal data  
6 facilities development and consequent job retention and creation

1 and ancillary economic growth within this state. In order to  
2 achieve these purposes, it is necessary to assist and encourage  
3 certain local units of government to renovate and develop data  
4 facilities for use by the federal government.

5       Sec. 3. As used in this act:

6       (a) "Develop", unless the context clearly indicates a dif-  
7 ferent meaning, means to acquire, construct, improve, enlarge,  
8 renew, renovate, replace, lease, equip, furnish, and operate.

9       (b) "Fund" means the federal data facility fund created in  
10 section 4.

11       (c) "Qualified employer" means that term as defined in  
12 section 483a of the income tax act of 1967, Act No. 281 of the  
13 Public Acts of 1967, being section 206.483a of the Michigan  
14 Compiled Laws.

15       (d) "Qualified facility" means a federal defense data facil-  
16 ity that existed before January 1, 1993, is owned by the federal  
17 general services administration, was scheduled to be closed by  
18 the department of defense, and that provides a supply catalog  
19 system and a supply standardization program for the department of  
20 defense and services ancillary to any of these functions.

21       (e) "Qualified local unit of government" means a city in  
22 which a qualified facility is located or, at the election of that  
23 city, an authority created pursuant to state law by that city, or  
24 a county in which that city is located, and authorized by law to  
25 issue bonds to develop a qualified facility.

1        Sec. 4. The federal data facility fund is created within  
2 the department of treasury. The state treasurer shall credit  
3 funds from the following sources to the fund:

4        (a) Funds paid to the fund pursuant to section 483a of the  
5 income tax act of 1967, Act No. 281 of the Public Acts of 1967,  
6 being section 206.483a of the Michigan Compiled Laws.

7        (b) Funds from any other source provided by law.

8        (c) Interest earnings on deposits in the fund that accrue  
9 interest as a participating fund of the state's common cash  
10 fund.

11       Sec. 5. Money from the fund shall be distributed to a qual-  
12 ified local unit of government for any of the following  
13 purposes:

14       (a) To develop a qualified facility or develop public  
15 improvements or facilities related to the qualified facility.

16       (b) To pay principal, interest, and premium, if any, due in  
17 the state fiscal year on bonds, obligations, or other evidences  
18 of indebtedness issued to develop a qualified facility or develop  
19 public improvements or facilities related to the qualified facil-  
20 ity, plus any amount necessary to maintain a fully funded debt  
21 reserve or other reserve intended to secure the principal and  
22 interest on the bonds, obligations, or other evidences of indebt-  
23 edness issued to develop a qualified facility or develop public  
24 improvements or facilities related to the qualified facility.

25       Sec. 6. (1) On or before the fifteenth day of each month,  
26 the state treasurer shall make a distribution from the fund to a  
27 qualified local unit of government in an amount equal to the

1 funds credited to the fund in the immediately preceding calendar  
2 month.

3       (2) If distributions for any state fiscal year to any quali-  
4 fied local unit of government exceed the amount of expenditures  
5 by that qualified local unit of government in that state fiscal  
6 year for purposes eligible for a distribution under section 5,  
7 the excess amount shall be deposited in a debt retirement account  
8 that shall be used to retire the bonds, obligations, or other  
9 evidences of indebtedness issued to develop a qualified facility  
10 or develop public improvements or facilities related to the qual-  
11 ified facility.

12       Sec. 7. (1) A qualified local unit of government may assign  
13 or pledge all or a portion of the funds that it receives under  
14 this act for the payment of bonds, obligations, or other evi-  
15 dences of indebtedness issued to develop a qualified facility or  
16 develop public improvements or facilities related to the quali-  
17 fied facility.

18       (2) If a qualified local unit of government assigns or  
19 pledges all or a portion of the funds it receives under this act,  
20 the state treasurer may transmit to the duly appointed trustee  
21 for the bonds, obligations, or other evidences of indebtedness,  
22 if any, the payment of the distribution that is assigned or  
23 pledged by the qualified local unit of government.

24       (3) Any pledge of the distributions made under this act  
25 shall be effective, valid, and binding from the time the pledge  
26 is made. The pledged distributions received shall be immediately  
27 subject to the lien of the pledge, whether or not there has been

1 physical delivery. The lien of any pledge shall be binding  
2 against all parties having claims of any kind in tort, contract,  
3 or otherwise against any person receiving the distributions,  
4 whether or not the parties have notice of the pledge. The ordi-  
5 nance, the resolution, or any other instrument of the qualified  
6 local unit of government by which a pledge of the proceeds of the  
7 tax imposed pursuant to this act is created is not required to be  
8 filed or recorded except in the records of the qualified local  
9 unit of government.

10 (4) Distributions pledged pursuant to this section shall be  
11 held by the state in trust for the persons to whom the distribu-  
12 tions are pledged until transferred. Until the pledge is satis-  
13 fied, the funds pledged shall be exempt from being levied upon,  
14 taken, sequestered, or applied toward paying debts or liabilities  
15 of the qualified local unit of government other than the debt or  
16 liability to which the funds are pledged.

17 Sec. 8. Each qualified local unit of government shall not  
18 receive more than its proportionate share of the fund based on  
19 contributions made to the fund by a qualified employer located in  
20 that qualified local unit of government.

21 Sec. 9. The powers conferred in this act upon any qualified  
22 local unit of government shall be in addition to any other powers  
23 the qualified local unit of government shall possess by charter  
24 or statute.

25 Sec. 10. There is appropriated each year from the federal  
26 data facility fund an amount sufficient to make the distributions  
27 required under section 6.