



SENATE BILL No. 1072

March 23, 1994 Introduced by Senators GOUGEON, WARTNER
CISKY and PRIDNIA and referred to the Committee on
Natural Resources and Environmental Affairs

A bill to amend section 3 of Act No 328 of the Public Acts
of 1988, entitled

"Environmental protection bond implementation act "

being section 299 673 of the Michigan Compiled Laws

THE PEOPLE OF THE STATE OF MICHIGAN ENACT

1 Section 1 Section 3 of Act No 328 of the Public Acts of
2 1988, being section 299 673 of the Michigan Compiled Laws, is
3 amended to read as follows

4 Sec 3 (1) The bonds issued under the environmental pro-
5 tection bond authorization act, ACT NO 326 OF THE PUBLIC ACTS OF
6 1988, BEING SECTIONS 299 651 TO 299 660 OF THE MICHIGAN COMPILED
7 LAWS, shall be issued in 1 or more series, each series to be in a
8 principal amount, to be dated, to have the maturities which may
9 be either serial, term, or term and serial, to bear interest at a
10 rate or rates, to be subject or not subject to prior redemption,

1 and if subject to prior redemption with or without call premiums
2 to be payable at a place or places, to have or not have provi-
3 sions for registration as to principal only or as to both princi-
4 pal and interest, to be in a form and to be executed in a manner
5 as shall be determined by resolution to be adopted by the state
6 administrative board and subject to or granting those covenants,
7 directions, restrictions, or rights specified by resolution to be
8 adopted by the state administrative board as necessary to insure
9 the marketability insurability or tax exempt status The state
10 administrative board shall rotate the services of legal counsel
11 when issuing bonds

12 (2) THE STATE ADMINISTRATIVE BOARD MAY REFUND BONDS ISSUED
13 UNDER THIS ACT BY THE ISSUANCE OF NEW BONDS, WHETHER OR NOT THE
14 BONDS TO BE REFUNDED HAVE MATURED OR ARE SUBJECT TO PRIOR
15 REDEMPTION THE STATE ADMINISTRATIVE BOARD MAY ISSUE BONDS
16 PARTLY TO REFUND BONDS ISSUED UNDER THIS ACT AND PARTLY FOR ANY
17 OTHER PURPOSE PROVIDED BY THIS ACT

18 (3) THE STATE ADMINISTRATIVE BOARD MAY AUTHORIZE AND APPROVE
19 INSURANCE CONTRACTS, AGREEMENTS FOR LINES OF CREDIT, LETTERS OF
20 CREDIT, COMMITMENTS TO PURCHASE BONDS, AND ANY OTHER TRANSACTION
21 TO PROVIDE SECURITY TO ASSURE TIMELY PAYMENT OR PURCHASE OF ANY
22 BOND ISSUED UNDER THIS ACT THE STATE ADMINISTRATIVE BOARD MAY
23 AUTHORIZE AND APPROVE REMARKETING AGREEMENTS, COMMERCIAL PAPER
24 DEALER AGREEMENTS, INTEREST RATE EXCHANGE, SWAP, HEDGE, OR SIMI-
25 LAR AGREEMENTS IN CONNECTION WITH THE ISSUANCE OF BONDS OR IN
26 CONNECTION WITH OUTSTANDING BONDS ISSUED UNDER THIS ACT

1 (4) ~~-(2)-~~ The state administrative board ~~by resolution~~ may
2 authorize the state treasurer, BUT ONLY WITHIN LIMITATIONS THAT
3 ARE CONTAINED IN THE AUTHORIZING RESOLUTION OF THE BOARD, to
4 ~~provide for the sale of the bonds at a discount, investment and~~
5 ~~reinvestment of bond sales proceeds other details for the bonds~~
6 ~~the costs of issuance, and the security for the bonds as is nec-~~
7 ~~essary and advisable~~ DO 1 OR MORE OF THE FOLLOWING

8 (A) SELL AND DELIVER AND RECEIVE PAYMENT FOR THE BONDS

9 (B) DELIVER BONDS PARTLY TO REFUND BONDS AND PARTLY FOR
10 OTHER AUTHORIZED PURPOSES

11 (C) SELECT WHICH OUTSTANDING BONDS WILL BE REFUNDED, IF ANY,
12 BY THE NEW ISSUE OF BONDS

13 (D) BUY BONDS SO ISSUED AT NOT MORE THAN THEIR FACE VALUE

14 (E) APPROVE INTEREST RATES OR METHODS FOR FIXING INTEREST
15 RATES, PRICES DISCOUNTS, MATURITIES, PRINCIPAL AMOUNTS, PURCHASE
16 PRICES, PURCHASE DATES, REMARKETING DATES, DENOMINATIONS, DATES
17 OF ISSUANCE, INTEREST PAYMENT DATES, REDEMPTION RIGHTS AT THE
18 OPTION OF THE STATE OR THE OWNER THE PLACE AND TIME OF DELIVERY
19 AND PAYMENT AND OTHER MATTERS AND PROCEDURES NECESSARY TO COM-
20 PLETE THE AUTHORIZED TRANSACTIONS

21 (F) EXECUTE DELIVER, AND PAY THE COST OF REMARKETING AGREE-
22 MENTS, INSURANCE CONTRACTS, AGREEMENTS FOR LINES OF CREDIT, LET-
23 TERS OF CREDIT, COMMITMENTS TO PURCHASE BONDS OR NOTES, AND ANY
24 OTHER TRANSACTION TO PROVIDE SECURITY TO ASSURE TIMELY PAYMENTS
25 OR PURCHASE OF ANY BOND ISSUED UNDER THIS ACT

1 (G) APPROVE REMARKETING AGREEMENTS COMMERCIAL PAPER DEALER
 2 AGREEMENTS, INTEREST RATE EXCHANGE, SWAP, HEDGE, OR SIMILAR
 3 AGREEMENTS WITH RESPECT TO BONDS ISSUED UNDER THIS ACT

4 (5) ~~-(3)-~~ The bonds shall be approved by the department of
 5 treasury before their issuance but ~~shall~~ ARE not otherwise ~~be~~
 6 subject to the municipal finance act, Act No 202 of the Public
 7 Acts of 1943, being sections 131 1 to 139 3 of the Michigan
 8 Compiled Laws

9 (6) ~~-(4)-~~ The bonds or any series of the bonds shall be sold
 10 at such price and at a publicly advertised sale or a competi-
 11 tively negotiated sale as shall be determined by the state admin-
 12 istrative board If bonds are issued at a competitively negoti-
 13 ated sale, the state administrative board shall use its best
 14 efforts to include firms based in this state in the sale of the
 15 bonds

16 (7) ~~-(5)-~~ Except as provided in subsection ~~-(6)-~~ (8), the
 17 bonds shall be sold in accordance with the following schedule,
 18 beginning during the first year after ~~the effective date of this~~
 19 ~~act~~ DECEMBER 1, 1988

20 (a) Not more than 34% shall be sold during the first year
 21 (b) Not more than 33% shall be sold during the second year
 22 (c) Not more than 33% shall be sold during the third year
 23 (d) After the third year any remaining bonds may be sold at
 24 the discretion of the state administrative board

25 (8) ~~-(6)-~~ The state administrative board may alter the
 26 schedule for issuance of the bonds provided in subsection ~~-(5)-~~
 27 (7) if either or both of the following occur

1 (a) Amendments to the internal revenue code of 1986 would
2 impair the tax exempt status of the bonds

3 (b) The legislature concurs in the declaration of a toxic
4 substance emergency made by the governor pursuant to law