

SENATE BILL No. 988

December 13, 2001, Introduced by Senator SANBORN and referred to the Committee on Finance.

A bill to amend 2000 PA 147, entitled "Safe drinking water financial assistance act," by amending sections 3 and 4 (MCL 141.1453 and 141.1454).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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1 Sec. 3. Subject to this act, a governmental unit may issue
2 notes or bonds and use the proceeds of the notes or bonds for
3 planning for the acquisition, construction, improvement, or
4 installation of real or personal property comprising all or a
5 portion of a community water supply or noncommunity water supply.
6 ~~or for the refunding or advance refunding of notes or bonds pre-~~
7 ~~viously issued under this act, and for the payment of the costs~~
8 ~~of issuing the notes or bonds.~~ For any governmental unit, the
9 aggregate principal amount of all notes and bonds issued under
10 this act less the principal amount used by the governmental unit
11 to purchase notes or bonds issued by another governmental unit

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1 under this act shall not exceed \$100,000.00. ~~Subject to~~
2 ~~section 5, the issuance of notes or bonds under this act is not~~
3 ~~subject to any right of referendum, notwithstanding any other~~
4 ~~statutory or charter provision to the contrary.~~ The notes or
5 bonds issued under this act shall be sold to the Michigan municipi-
6 pal bond authority or to another governmental unit if the other
7 governmental unit purchases the notes or bonds with proceeds of
8 notes or bonds issued under this act and sold to the Michigan
9 municipal bond authority. The notes or bonds issued under this
10 act are ~~not~~ subject to the ~~municipal finance act, 1943 PA 202,~~
11 ~~MCL 131.1 to 139.3.~~ Subject to this act, each REVISED MUNICIPAL
12 FINANCE ACT, 2001 PA 34, MCL 141.2101 TO 141.2821. EACH govern-
13 mental unit is authorized to use proceeds of notes or bonds
14 issued by it under this act and sold to the Michigan municipal
15 bond authority to purchase notes or bonds issued under this act
16 by any other governmental unit.

17 Sec. 4. Notes or bonds issued under this act shall be
18 authorized by a resolution of the governing body of the govern-
19 mental unit, which may pledge the full faith and credit of the
20 governmental unit to the payment of the principal of and interest
21 on the notes or bonds. ~~The governmental unit may establish~~
22 ~~interest rates or methods for establishing interest rates,~~
23 ~~prices, discounts, maturities, principal amounts, denominations,~~
24 ~~dates of issuance, interest payment dates, optional or mandatory~~
25 ~~redemption or tender rights, obligations to be exercised by the~~
26 ~~governmental unit or the holders of the notes or bonds, the place~~
27 ~~of delivery and payment, and other matters and procedures~~

~~1 necessary or desirable in connection with the issuance of the
2 notes or bonds. A governmental unit may secure the notes or
3 bonds with additional security as determined by the governing
4 body of the governmental unit, including, but not limited to, a
5 pledge or assignment of any school aid payments, revenue sharing
6 payments or similar payments to be received from the state, a
7 letter of credit, a line of credit, or an insurance contract.
8 Subject to section 5, the governing body of the governmental unit
9 authorizing the issuance of notes or bonds under this act may
10 provide in the authorizing resolution that it is the duty of each
11 officer and official of the governmental unit that issues notes
12 or bonds authorized by this act, who is charged with such duty,
13 to include in the annual taxes levied an amount such that the
14 estimated collections thereof shall be sufficient to pay when due
15 all payments of the principal of and interest on the notes or
16 bonds due prior to the collection of the following year's taxes
17 after taking into account money on hand or expected to be on hand
18 for such payments from all sources. The governing body of the
19 governmental unit shall include in its budget and pay such sum or
20 sums that may be necessary each year to pay the principal of and
21 the interest on the notes or bonds when and as the notes or bonds
22 become due, including overdue installments or maturities. The
23 resolution of the governing body of the governmental unit autho-
24 rizing the issuance of notes or bonds under this act may autho-
25 rize the governmental unit to enter into loan agreements, secur-
26 ity agreements, pledge agreements, including, but not limited to,
27 the pledge of water supply revenues, mortgages, assignments, or~~

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1 other agreements determined to be necessary to the issuance of
2 the notes or bonds and may authorize the governmental unit to use
3 proceeds of the notes or bonds sold to the Michigan municipal
4 bond authority to purchase notes or bonds issued under this act
5 by any other governmental unit.