

SENATE BILL No. 1268

May 2, 2002, Introduced by Senator EMMONS and referred to the Committee on Finance.

A bill to amend 1951 PA 51, entitled

"An act to provide for the classification of all public roads, streets, and highways in this state, and for the revision of that classification and for additions to and deletions from each classification; to set up and establish the Michigan transportation fund; to provide for the deposits in the Michigan transportation fund of specific taxes on motor vehicles and motor vehicle fuels; to provide for the allocation of funds from the Michigan transportation fund and the use and administration of the fund for transportation purposes; to set up and establish the truck safety fund; to provide for the allocation of funds from the truck safety fund and administration of the fund for truck safety purposes; to set up and establish the Michigan truck safety commission; to establish certain standards for road contracts for certain businesses; to provide for the continuing review of transportation needs within the state; to authorize the state transportation commission, counties, cities, and villages to borrow money, issue bonds, and make pledges of funds for transportation purposes; to authorize counties to advance funds for the payment of deficiencies necessary for the payment of bonds issued under this act; to provide for the limitations, payment, retirement, and security of the bonds and pledges; to provide for appropriations and tax levies by counties and townships for county roads; to authorize contributions by townships for county roads; to provide for the establishment and administration of the state trunk line fund, critical bridge fund, comprehensive transportation fund, and certain other funds; to provide for the deposits in the state trunk line fund, critical bridge fund, comprehensive

transportation fund, and certain other funds of money raised by specific taxes and fees; to provide for definitions of public transportation functions and criteria; to define the purposes for which Michigan transportation funds may be allocated; to provide for Michigan transportation fund grants; to provide for review and approval of transportation programs; to provide for submission of annual legislative requests and reports; to provide for the establishment and functions of certain advisory entities; to provide for conditions for grants; to provide for the issuance of bonds and notes for transportation purposes; to provide for the powers and duties of certain state and local agencies and officials; to provide for the making of loans for transportation purposes by the state transportation department and for the receipt and repayment by local units and agencies of those loans from certain specified sources; and to repeal acts and parts of acts,"

by amending section 18e (MCL 247.668e), as amended by 1985 PA 201.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 18e. ~~Bonds~~ EXCEPT FOR BONDS ISSUED UNDER SECTION
 2 18C, BONDS issued by a governmental unit under this act shall be
 3 serial bonds with periodic maturities, or term bonds, with manda-
 4 tory redemption requirements, or both serial and term bonds, the
 5 aggregate of which shall not exceed 30 years, the first of which
 6 shall fall due not more than 5 years from the date of issuance.
 7 Maturities shall be as established by the resolution or ordinance
 8 authorizing the bonds or notes, without regard to the useful
 9 lives of the projects financed from the proceeds of the bonds or
 10 notes. The bonds shall bear interest, taking into account any
 11 discount or premium on the sale of the bonds, at a rate not
 12 exceeding the maximum rate permitted by the ~~municipal finance~~
 13 ~~act, Act No. 202 of the Public Acts of 1943, as amended, being~~
 14 ~~sections 131.1 to 139.3 of the Michigan Compiled Laws~~ REVISED
 15 MUNICIPAL FINANCE ACT, 2001 PA 34, MCL 141.2101 TO 141.2821, may
 16 be made redeemable before maturity on those terms and conditions,

1 and with the premium as shall be provided by the proceedings
2 authorizing their issuance. Outstanding and authorized bonds
3 issued pursuant to this act may be treated as a single issue for
4 the purpose of fixing maturities. If pursuant to ~~Act No. 175 of~~
5 ~~the Public Acts of 1952, as amended, being sections 247.701 to~~
6 ~~247.707 of the Michigan Compiled Laws~~ 1952 PA 175, MCL 247.701
7 TO 247.707, or in ~~Act No. 143 of the Public Acts of 1943, as~~
8 ~~amended, being sections 141.251 to 141.254 of the Michigan~~
9 ~~Compiled Laws~~ 1943 PA 143, MCL 141.251 TO 141.254, the maximum
10 annual principal and interest requirements on bonds issued by
11 governmental units are required to be measured by reference to
12 amounts received from the motor vehicle highway fund, the
13 requirements shall be measured by the receipts from the motor
14 vehicle highway fund, the Michigan transportation fund, or both
15 funds, and if pursuant to this act the maximum annual principal
16 and interest requirements on bonds or notes issued by governmen-
17 tal units are required to be measured by reference to amounts
18 received from the Michigan transportation fund, the requirements
19 shall be measured by the receipts from the motor vehicle highway
20 fund, the Michigan transportation fund, or both funds. The state
21 transportation commission shall certify, which certification
22 shall, for purposes of the validity of bonds, notes, and other
23 obligations, be conclusive as to the matters stated therein, to
24 the state treasury on or before the issuance of any bonds, notes,
25 or other obligations PAYABLE FROM AND SECURED BY A LIEN ON THE
26 STATE TRUNK LINE FUND, issued after July 1, 1983, pursuant to
27 section 18b or 18d for purposes other than the maintenance of

1 highways, roads, streets, and bridges and for purposes other than
2 the purposes specified in section 11(2)(b), (c), ~~and~~ (d), (G),
3 (H), AND (I) that its average annual debt service requirements
4 PAYABLE FROM AND SECURED BY A LIEN ON THE STATE TRUNK LINE FUND
5 for all bonds, notes, and other obligations, or portions of
6 bonds, notes, and other obligations issued after July 1, 1983,
7 for purposes other than the maintenance of highways, roads,
8 streets, and bridges and other than for the purposes specified in
9 section 11(2)(b), (c), ~~and~~ (d), (G), (H), AND (I), including
10 the bonds, notes, or other obligations to be issued does not
11 exceed 10% of the state revenue appropriated to the state trunk
12 line fund, less the amounts described in section 11(2)(a) to
13 ~~(g)~~ (I) during the last completed state fiscal year. If the
14 purpose for which the bonds, notes, or other obligations is
15 issued is changed after the issuance of the bonds, notes, or
16 other obligations, the change shall be made in ~~such~~ a manner to
17 maintain compliance with the certification required by the pre-
18 ceding sentence, as of the date the certificate was originally
19 issued, but no ~~such~~ change shall invalidate or otherwise affect
20 the bonds, notes, or other obligations with respect to which the
21 certificate was issued, or the obligation to pay debt service on
22 the bonds, notes, or other obligations. As used in this section,
23 "maintenance" means maintenance as defined in section ~~11(6)~~
24 11(4).