

SENATE BILL No. 573

June 10, 2003, Introduced by Senator LELAND and referred to the Committee on Appropriations.

A bill to amend 1985 PA 227, entitled
"Shared credit rating act,"
by amending section 8 (MCL 141.1058), as amended by 2000 PA 416.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 8. (1) The authority may lend money to a governmental
2 unit through the purchase by the authority of municipal
3 obligations of the governmental unit in fully marketable form.
4 The authority may authorize and issue its bonds or notes payable
5 solely from the revenues or funds available to the authority, and
6 to otherwise assist governmental units.

7 (2) Bonds and notes of the authority shall not be in any way
8 a debt or liability of this state and shall not create or
9 constitute any indebtedness, liability, or obligations of this
10 state or be or constitute a pledge of the faith and credit of
11 this state but all authority bonds and notes, unless funded or

1 refunded by bonds or notes of the authority, shall be payable
2 solely from revenues or funds pledged or available for their
3 payment as authorized in this act. Each bond and note shall
4 contain on its face a statement to the effect that the authority
5 is obligated to pay the principal of and the interest on the bond
6 or note only from revenues or funds of the authority and that
7 this state is not obligated to pay the principal or interest and
8 that neither the faith and credit nor the taxing power of this
9 state is pledged to the payment of the principal of or the
10 interest on the bond or note.

11 (3) All expenses incurred in carrying out the provisions of
12 this act shall be payable solely from revenues or funds provided
13 or to be provided under the provisions of this act, and nothing
14 in this act shall be construed to authorize the authority to
15 incur any indebtedness or liability on behalf of or payable by
16 this state.

17 (4) Unless approved by a concurrent resolution of the
18 legislature and except as permitted by section 16a or 16b, the
19 authority shall not provide preferential treatment in the rate of
20 interest for a particular municipal obligation purchased by the
21 authority that is based upon other than financial and credit
22 considerations and shall not forgive or relinquish all or part of
23 the interest or principal of a particular municipal obligation or
24 of municipal obligations of a particular purpose.

25 (5) The authority may purchase bonds issued by school
26 districts that are qualified bonds under 1961 PA 108, MCL 388.951
27 to 388.963. ~~The~~ **Except as provided in subsection (6), the**

1 principal amount of the qualified bonds purchased by the
2 authority in any calendar year shall not exceed 7.5% of the
3 principal amount of qualified bonds issued by school districts in
4 the immediately preceding calendar year.

5 (6) In addition to qualified bonds purchased under subsection
6 (5), the authority may purchase qualified bonds issued by school
7 districts to obtain funds to repay all or a portion of the
8 outstanding balance of a loan under 1961 PA 108, MCL 388.951 to
9 388.963, on the terms and conditions and subject to the
10 requirements provided by or pursuant to a resolution of the
11 authority. Bonds issued by the authority to purchase school
12 district qualified bonds under this subsection shall be issued in
13 an amount sufficient to provide and pay the reasonable costs of
14 issuance incurred by the school districts as determined by or
15 pursuant to a resolution of the authority.