

HOUSE BILL No. 6002

April 22, 2008, Introduced by Reps. Lindberg, Kathleen Law, Hopgood, McDowell, Sheltroun, Byrnes, Lahti, Robert Jones, Gillard, Valentine, Alma Smith, Brown, Vagnozzi, Cushingberry, Miller, Meisner, Simpson, Spade, Gonzales, Polidori, Leland, Donigan, Condino, Espinoza, Hammon, Bieda, Lemmons, Dean, Meadows, Warren, Hood, Gaffney, Hune, Hammel, Hansen, Nofs and Bauer and referred to the Committee on Tourism, Outdoor Recreation and Natural Resources.

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending sections 1901 and 1903 (MCL 324.1901 and 324.1903), section 1901 as added by 1995 PA 60 and section 1903 as amended by 2002 PA 52, and by adding sections 1911, 1912, 1913, 1914, 1915, 1916, 1917, 1918, 1919, 1920, 1921, 1922, 1923, 1924, 1925, 1926, 1927, and 1928.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1901. As used in this part:

2 **(A) "AUTHORITY", UNLESS THE CONTENT CLEARLY IMPLIES A**
3 **DIFFERENT MEANING, MEANS THE MICHIGAN NATURAL RESOURCES TRUST FUND**
4 **AUTHORITY CREATED IN SECTION 1911.**

5 **(B) ~~(a)~~**"Board" means the Michigan natural resources trust

1 fund board established in section 1905.

2 ~~—— (b) "Economic development revenue bonds (oil and gas~~
3 ~~revenues), series 1982A, dated December 1, 1982" includes bonds~~
4 ~~refunding these bonds, provided that any refunding bonds mature no~~
5 ~~later than September 1, 1994.~~

6 (C) "BONDS" MEANS THE BONDS OF THE AUTHORITY ISSUED AS
7 PROVIDED IN THIS PART.

8 (D) ~~(e)~~ "Local unit of government" means a county, city,
9 township, village, school district, the Huron-Clinton metropolitan
10 authority, or any authority composed of counties, cities,
11 townships, villages, or school districts, or any combination
12 thereof, which authority is legally constituted to provide public
13 recreation.

14 (E) "NOTES" MEANS THE NOTES OF THE AUTHORITY ISSUED AS
15 PROVIDED IN THIS PART, INCLUDING COMMERCIAL PAPER.

16 (F) ~~(d)~~ "Total expenditures" means the amounts actually
17 expended from the trust fund as authorized by section 1903(1) and
18 (2).

19 (G) ~~(e)~~ "Trust fund" means the Michigan natural resources
20 trust fund established in section 35 of article IX of the state
21 constitution of 1963.

22 Sec. 1903. (1) Subject to the limitations of this part and of
23 section 35 of article IX of the state constitution of 1963, the
24 interest and earnings of the trust fund in any 1 state fiscal year
25 may be expended in subsequent state fiscal years only for the
26 following purposes:

27 (a) The acquisition of land or rights in land for recreational

1 uses or protection of the land because of its environmental
2 importance or its scenic beauty.

3 (b) The development of public recreation facilities.

4 (c) The administration of the fund, including payments in lieu
5 of taxes on state owned land purchased through the trust fund **AND**
6 **THE REPAYMENT OF BONDS AND NOTES ISSUED UNDER THIS PART.**

7 (2) In addition to the money described in subsection (1), ~~33-~~
8 ~~1/3%-66-2/3%~~ of the money, exclusive of interest and earnings,
9 received by the trust fund in any state fiscal year may be expended
10 in subsequent state fiscal years for the purposes described in
11 subsection (1). However, the authorization for the expenditure of
12 money provided in this subsection does not apply after the state
13 fiscal year in which the total amount of money in the trust fund,
14 exclusive of interest and earnings and amounts authorized for
15 expenditure under this section, exceeds \$500,000,000.00.

16 (3) An expenditure from the trust fund may be made in the form
17 of a grant to a local unit of government, subject to the following
18 conditions:

19 (a) The grant is used for the purposes described in subsection
20 (1) and meets the requirements of either subdivision (b) or (c).

21 (b) A grant for the purposes described in subsection (1)(a) is
22 matched by the local unit of government ~~or public authority~~ with at
23 least 25% of the total cost of the project.

24 (c) A grant for the purposes described in subsection (1)(b) is
25 matched by the local unit of government with 25% or more of the
26 total cost of the project.

27 (4) Not less than 25% of the total amounts made available for

1 expenditure from the trust fund from any state fiscal year shall be
2 expended for acquisition of land and rights in land, and not more
3 than 25% of the total amounts made available for expenditure from
4 the trust fund from any state fiscal year shall be expended for
5 development of public recreation facilities.

6 (5) If property that was acquired with money from the trust
7 fund is subsequently sold or transferred by the state to a
8 nongovernmental entity, the state shall forward to the state
9 treasurer for deposit into the trust fund an amount of money equal
10 to the following:

11 (a) If the property was acquired solely with trust fund money,
12 the greatest of the following:

13 (i) The net proceeds of the sale.

14 (ii) The fair market value of the property at the time of the
15 sale or transfer.

16 (iii) The amount of money that was expended from the trust fund
17 to acquire the property.

18 (b) If the property was acquired with a combination of trust
19 fund money and other restricted funding sources governed by federal
20 or state law, an amount equal to the percentage of the funds
21 contributed by the trust fund for the acquisition of the property
22 multiplied by the greatest of subdivision (a) (i), (ii), or (iii).

23 **SEC. 1911. THE MICHIGAN NATURAL RESOURCES TRUST FUND AUTHORITY**
24 **IS CREATED AS A BODY CORPORATE WITHIN THE DEPARTMENT AND SHALL BE**
25 **ADMINISTERED UNDER THE SUPERVISION OF THE DEPARTMENT BUT SHALL**
26 **EXERCISE ITS PRESCRIBED STATUTORY POWER, DUTIES, AND FUNCTIONS**
27 **INDEPENDENTLY OF THE DEPARTMENT. THE BUDGETING, PROCUREMENT, AND**

1 RELATED FUNCTIONS OF THE AUTHORITY SHALL BE PERFORMED UNDER THE
2 DIRECTION AND SUPERVISION OF THE DEPARTMENT. FUNDS OF THE AUTHORITY
3 SHALL BE HANDLED IN THE SAME MANNER AND SUBJECT TO THE SAME
4 PROVISIONS OF LAW APPLICABLE TO STATE FUNDS OR IN A MANNER
5 SPECIFIED IN A RESOLUTION OF THE AUTHORITY AUTHORIZING THE ISSUANCE
6 OF BONDS AND NOTES.

7 SEC. 1912. (1) THE AUTHORITY SHALL BE GOVERNED BY THE BOARD.

8 (2) MEMBERS OF THE BOARD AND OFFICERS AND EMPLOYEES OF THE
9 AUTHORITY ARE SUBJECT TO 1968 PA 317, MCL 15.321 TO 15.330. A
10 MEMBER OF THE BOARD OR AN OFFICER, EMPLOYEE, OR AGENT OF THE
11 AUTHORITY SHALL DISCHARGE THE DUTIES OF HIS OR HER POSITION IN A
12 NONPARTISAN MANNER, WITH GOOD FAITH, AND WITH THAT DEGREE OF
13 DILIGENCE, CARE, AND SKILL THAT AN ORDINARILY PRUDENT PERSON WOULD
14 EXERCISE UNDER SIMILAR CIRCUMSTANCES IN A LIKE POSITION. IN
15 DISCHARGING HIS OR HER DUTIES, A MEMBER OF THE BOARD OR AN OFFICER,
16 EMPLOYEE, OR AGENT OF THE AUTHORITY, WHEN ACTING IN GOOD FAITH, MAY
17 RELY UPON THE OPINION OF COUNSEL FOR THE AUTHORITY, UPON THE REPORT
18 OF AN INDEPENDENT APPRAISER SELECTED WITH REASONABLE CARE BY THE
19 BOARD, OR UPON FINANCIAL STATEMENTS OF THE AUTHORITY REPRESENTED TO
20 THE MEMBER OF THE BOARD, OFFICER, EMPLOYEE, OR AGENT TO BE CORRECT
21 BY THE OFFICER OF THE AUTHORITY HAVING CHARGE OF ITS BOOKS OR
22 ACCOUNT, OR STATED IN A WRITTEN REPORT BY THE AUDITOR GENERAL OR A
23 CERTIFIED PUBLIC ACCOUNTANT OR THE FIRM OF THE ACCOUNTANTS FAIRLY
24 TO REFLECT THE FINANCIAL CONDITION OF THE AUTHORITY.

25 SEC. 1913. (1) THE AUTHORITY MAY EMPLOY LEGAL AND TECHNICAL
26 EXPERTS AND OTHER OFFICERS, AGENTS, OR EMPLOYEES, PERMANENT OR
27 TEMPORARY, PAID FROM THE FUNDS OF THE AUTHORITY. THE AUTHORITY

1 SHALL DETERMINE THE QUALIFICATIONS, DUTIES, AND COMPENSATION OF
2 THOSE IT EMPLOYS, BUT AN EMPLOYEE SHALL NOT BE PAID A HIGHER SALARY
3 THAN THE DIRECTOR. THE AUTHORITY MAY DELEGATE TO 1 OR MORE MEMBERS,
4 OFFICERS, AGENTS, OR EMPLOYEES ANY POWERS OR DUTIES IT CONSIDERS
5 PROPER.

6 (2) THE AUTHORITY SHALL CONTRACT WITH THE DEPARTMENT FOR THE
7 PURPOSE OF MAINTAINING AND IMPROVING THE RIGHTS AND INTERESTS OF
8 THE AUTHORITY.

9 (3) THE AUTHORITY SHALL ANNUALLY FILE A WRITTEN REPORT ON ITS
10 ACTIVITIES OF THE LAST YEAR WITH THE LEGISLATURE. THIS REPORT SHALL
11 BE SUBMITTED NOT LATER THAN 270 DAYS FOLLOWING THE END OF THE
12 FISCAL YEAR. THIS REPORT SHALL SPECIFY THE AMOUNT AND SOURCE OF
13 REVENUES RECEIVED, THE STATUS OF INVESTMENTS MADE, AND A
14 DESCRIPTION OF THE PROJECTS FUNDED WITH PROCEEDS OF BONDS SOLD
15 UNDER THIS PART.

16 (4) THE ACCOUNTS OF THE AUTHORITY SHALL BE SUBJECT TO ANNUAL
17 AUDITS BY THE STATE AUDITOR GENERAL OR A CERTIFIED PUBLIC
18 ACCOUNTANT APPOINTED BY THE AUDITOR GENERAL. RECORDS OF THE
19 AUTHORITY SHALL BE MAINTAINED ACCORDING TO GENERALLY ACCEPTED
20 AUDITING PRINCIPLES.

21 SEC. 1914. EXCEPT AS OTHERWISE PROVIDED IN THIS PART, THE
22 BOARD MAY DO ALL THINGS NECESSARY OR CONVENIENT TO IMPLEMENT THE
23 PURPOSES, OBJECTIVES, AND PROVISIONS OF THIS PART, AND THE
24 PURPOSES, OBJECTIVES, AND POWERS DELEGATED TO THE BOARD BY OTHER
25 LAWS OR EXECUTIVE ORDERS, INCLUDING, BUT NOT LIMITED TO, ALL OF THE
26 FOLLOWING:

27 (A) ADOPT AN OFFICIAL SEAL AND BYLAWS FOR THE REGULATION OF

1 ITS AFFAIRS AND ALTER THE SEAL OR BYLAWS AT ITS PLEASURE.

2 (B) SUE AND BE SUED IN ITS OWN NAME AND PLEAD AND BE
3 IMPLEADED.

4 (C) BORROW MONEY AND ISSUE NEGOTIABLE REVENUE BONDS AND NOTES
5 PURSUANT TO THIS PART.

6 (D) ENTER INTO CONTRACTS AND OTHER INSTRUMENTS NECESSARY,
7 INCIDENTAL, OR CONVENIENT TO THE PERFORMANCE OF ITS DUTIES AND THE
8 EXERCISE OF ITS POWERS.

9 (E) WITH THE PRIOR CONSENT OF THE DEPARTMENT, SOLICIT AND
10 ACCEPT GIFTS, GRANTS, LOANS, AND OTHER AID FROM ANY PERSON, OR THE
11 FEDERAL, STATE, OR LOCAL GOVERNMENT OR ANY AGENCY OF THE FEDERAL,
12 STATE, OR LOCAL GOVERNMENT, OR PARTICIPATE IN ANY OTHER WAY IN A
13 FEDERAL, STATE, OR LOCAL GOVERNMENT PROGRAM.

14 (F) PROCURE INSURANCE AGAINST LOSS IN CONNECTION WITH THE
15 PROPERTY, ASSETS, OR ACTIVITIES OF THE AUTHORITY.

16 (G) INVEST MONEY OF THE AUTHORITY, AT THE BOARD'S DISCRETION,
17 IN INSTRUMENTS, OBLIGATIONS, SECURITIES, OR PROPERTY DETERMINED
18 PROPER BY THE BOARD, AND NAME AND USE DEPOSITORIES FOR ITS MONEY.

19 (H) CONTRACT FOR GOODS AND SERVICES AND ENGAGE PERSONNEL AS
20 NECESSARY AND ENGAGE THE SERVICES OF PRIVATE CONSULTANTS, MANAGERS,
21 LEGAL COUNSEL, AND AUDITORS FOR RENDERING PROFESSIONAL FINANCIAL
22 ASSISTANCE AND ADVICE PAYABLE OUT OF ANY MONEY OF THE AUTHORITY,
23 SUBJECT TO THE RESTRICTIONS PROVIDED IN THIS PART.

24 (I) INDEMNIFY AND PROCURE INSURANCE INDEMNIFYING MEMBERS OF
25 THE BOARD FROM PERSONAL LOSS OR ACCOUNTABILITY FROM LIABILITY
26 ASSERTED BY A PERSON ON BONDS OR NOTES OF THE AUTHORITY, OR FROM
27 ANY PERSONAL LIABILITY OR ACCOUNTABILITY BY REASON OF THE ISSUANCE

1 OF THE BONDS OR NOTES, OR BY REASON OF ANY OTHER ACTION TAKEN OR
2 THE FAILURE TO ACT BY THE AUTHORITY.

3 (J) DO ALL OTHER THINGS NECESSARY OR CONVENIENT TO ACHIEVE THE
4 OBJECTIVES AND PURPOSES OF THE AUTHORITY, THIS PART, RULES
5 PROMULGATED UNDER THIS PART, OR OTHER LAWS THAT RELATE TO THE
6 PURPOSES AND RESPONSIBILITIES OF THE AUTHORITY.

7 SEC. 1915. (1) THE AUTHORITY MAY AUTHORIZE AND ISSUE ITS BONDS
8 OR NOTES PAYABLE SOLELY FROM THE REVENUES OR FUNDS AVAILABLE TO THE
9 AUTHORITY. BONDS AND NOTES OF THE AUTHORITY ARE NOT A DEBT OR
10 LIABILITY OF THE STATE AND DO NOT CREATE OR CONSTITUTE ANY
11 INDEBTEDNESS, LIABILITY, OR OBLIGATIONS OF THE STATE OR CONSTITUTE
12 A PLEDGE OF THE FAITH AND CREDIT OF THE STATE. ALL AUTHORITY BONDS
13 AND NOTES SHALL BE PAYABLE SOLELY FROM REVENUES OR FUNDS PLEDGED OR
14 AVAILABLE FOR THEIR PAYMENT AS AUTHORIZED IN THIS PART. EACH BOND
15 AND NOTE SHALL CONTAIN ON ITS FACE A STATEMENT TO THE EFFECT THAT
16 THE AUTHORITY IS OBLIGATED TO PAY THE PRINCIPAL OF AND THE INTEREST
17 ON THE BOND OR NOTE ONLY FROM REVENUES OR FUNDS OF THE AUTHORITY
18 PLEDGED FOR THE PAYMENT OF PRINCIPAL AND INTEREST AND THAT THE
19 STATE IS NOT OBLIGATED TO PAY THAT PRINCIPAL OR INTEREST AND THAT
20 NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE IS
21 PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR THE INTEREST ON THE
22 BOND OR NOTE.

23 (2) ALL EXPENSES INCURRED IN CARRYING OUT THIS PART SHALL BE
24 PAYABLE SOLELY FROM REVENUES OR FUNDS PROVIDED OR TO BE PROVIDED
25 UNDER THIS PART. THIS PART DOES NOT AUTHORIZE THE AUTHORITY TO
26 INCUR ANY INDEBTEDNESS OR LIABILITY ON BEHALF OF OR PAYABLE BY THE
27 STATE.

1 (3) ANY REVENUES OR FUNDS AVAILABLE TO THE AUTHORITY THAT ARE
2 NOT NECESSARY TO PAY PRINCIPAL OF OR INTEREST ON ANY OUTSTANDING
3 BONDS OR NOTES OF THE AUTHORITY OR WHICH ARE NOT REQUIRED TO BE
4 DEPOSITED IN A FUND CREATED TO SECURE THE BONDS OR NOTES OF THE
5 AUTHORITY OR REQUIRED TO PROVIDE FOR THE FUNDING OF ANY OTHER
6 MATTERS REQUIRED BY A RESOLUTION AUTHORIZING THE ISSUANCE OF BONDS
7 OR NOTES OF THE AUTHORITY SHALL BE EXPENDED FOR THE PURPOSES OF THE
8 TRUST FUND. ANY MONEY DERIVED FROM THE PROCEEDS OF BONDS OR NOTES
9 SHALL BE EXPENDED BY THE AUTHORITY IN THE MANNER PRESCRIBED IN THE
10 PART AND THE RESOLUTION AUTHORIZING SUCH INDEBTEDNESS.

11 SEC. 1916. (1) THE AUTHORITY MAY ISSUE FROM TIME TO TIME BONDS
12 OR NOTES IN PRINCIPAL AMOUNTS THE AUTHORITY CONSIDERS NECESSARY TO
13 PROVIDE FUNDS FOR ANY PURPOSE, INCLUDING, BUT NOT LIMITED TO, ALL
14 OF THE FOLLOWING:

15 (A) THE PAYMENT, FUNDING, OR REFUNDING OF THE PRINCIPAL OF,
16 INTEREST ON, OR REDEMPTION PREMIUMS ON BONDS OR NOTES ISSUED BY THE
17 AUTHORITY WHETHER THE BONDS OR NOTES OR INTEREST TO BE FUNDED OR
18 REFUNDED HAVE OR HAVE NOT BECOME DUE.

19 (B) THE ESTABLISHMENT OR INCREASE OF RESERVES TO SECURE OR TO
20 PAY AUTHORITY BONDS OR NOTES OR INTEREST ON THOSE BONDS OR NOTES.

21 (C) THE PAYMENT OF INTEREST ON THE BONDS OR NOTES FOR A PERIOD
22 AS THE AUTHORITY DETERMINES.

23 (D) THE PAYMENT OF ALL OTHER COSTS OR EXPENSES OF THE
24 AUTHORITY INCIDENT TO AND NECESSARY OR CONVENIENT TO CARRY OUT ITS
25 CORPORATE PURPOSES AND POWERS.

26 (2) THE BONDS OR NOTES OF THE AUTHORITY SHALL NOT BE A GENERAL
27 OBLIGATION OF THE AUTHORITY BUT SHALL BE PAYABLE SOLELY FROM THE

1 REVENUES OR FUNDS, OR BOTH, PLEDGED TO THE PAYMENT OF THE PRINCIPAL
2 OF AND INTEREST ON THE BONDS OR NOTES AS PROVIDED IN THE RESOLUTION
3 AUTHORIZING THE BONDS OR NOTES.

4 (3) THE BONDS OR NOTES OF THE AUTHORITY:

5 (A) SHALL BE AUTHORIZED BY RESOLUTION OF THE AUTHORITY.

6 (B) SHALL BEAR THE DATE OR DATES OF ISSUANCE.

7 (C) MAY BE ISSUED AS EITHER TAX-EXEMPT BONDS OR NOTES OR
8 TAXABLE BONDS OR NOTES FOR FEDERAL INCOME TAX PURPOSES.

9 (D) SHALL BE SERIAL BONDS, TERM BONDS, OR TERM AND SERIAL
10 BONDS.

11 (E) SHALL MATURE AT SUCH TIME OR TIMES NOT EXCEEDING 30 YEARS
12 FROM THE DATE OF ISSUANCE.

13 (F) MAY PROVIDE FOR SINKING FUND PAYMENTS.

14 (G) MAY PROVIDE FOR REDEMPTION AT THE OPTION OF THE AUTHORITY
15 FOR ANY REASON OR REASONS.

16 (H) MAY PROVIDE FOR REDEMPTION AT THE OPTION OF THE BONDHOLDER
17 FOR ANY REASON OR REASONS.

18 (I) SHALL BEAR INTEREST AT A FIXED OR VARIABLE RATE OR RATES
19 OF INTEREST PER ANNUM OR AT NO INTEREST.

20 (J) SHALL BE REGISTERED BONDS, COUPON BONDS, OR BOTH.

21 (K) MAY CONTAIN A CONVERSION FEATURE.

22 (L) MAY BE TRANSFERABLE.

23 (M) SHALL BE IN THE FORM, DENOMINATION OR DENOMINATIONS, AND
24 WITH THE OTHER PROVISIONS AND TERMS AS IS DETERMINED NECESSARY OR
25 BENEFICIAL BY THE AUTHORITY.

26 (4) IF A MEMBER OF THE BOARD OR ANY OFFICER OF THE AUTHORITY
27 WHOSE SIGNATURE OR FACSIMILE OF HIS OR HER SIGNATURE APPEARS ON A

1 NOTE, BOND, OR COUPON CEASES TO BE A MEMBER OR OFFICER BEFORE THE
2 DELIVERY OF THAT NOTE OR BOND, THE SIGNATURE SHALL CONTINUE TO BE
3 VALID AND SUFFICIENT FOR ALL PURPOSES, AS IF THE MEMBER OR OFFICER
4 HAD REMAINED IN OFFICE UNTIL THE DELIVERY.

5 (5) BONDS OR NOTES OF THE AUTHORITY MAY BE SOLD AT A PUBLIC OR
6 PRIVATE SALE AT THE TIME OR TIMES, AT THE PRICE OR PRICES, AND AT A
7 DISCOUNT AS THE AUTHORITY DETERMINES. BONDS AND NOTES OF THE
8 AUTHORITY ARE NOT SUBJECT TO THE REVISED MUNICIPAL FINANCE ACT,
9 2001 PA 34, MCL 141.2101 TO 141.2821. A BOND OR NOTE OF THE
10 AUTHORITY IS NOT REQUIRED TO BE FILED UNDER THE UNIFORM SECURITIES
11 ACT, 1964 PA 265, MCL 451.501 TO 451.818.

12 (6) THE ISSUANCE OF BONDS AND NOTES UNDER THIS SECTION IS
13 SUBJECT TO THE AGENCY FINANCING REPORTING ACT.

14 (7) FOR THE PURPOSE OF MORE EFFECTIVELY MANAGING ITS DEBT
15 SERVICE, THE AUTHORITY MAY ENTER INTO AN INTEREST RATE EXCHANGE OR
16 SWAP, HEDGE, OR SIMILAR AGREEMENT WITH RESPECT TO ITS BONDS OR
17 NOTES ON THE TERMS AND PAYABLE FROM THE SOURCES AND WITH THE
18 SECURITY, IF ANY, AS DETERMINED BY A RESOLUTION OF THE AUTHORITY.

19 SEC. 1917. (1) THE AUTHORITY MAY PROVIDE FOR THE ISSUANCE OF
20 BONDS OR NOTES IN THE AMOUNTS THE AUTHORITY CONSIDERS NECESSARY FOR
21 THE PURPOSE OF REFUNDING BONDS OR NOTES OF THE AUTHORITY THEN
22 OUTSTANDING, INCLUDING THE PAYMENT OF ANY REDEMPTION PREMIUM AND
23 INTEREST ACCRUED OR TO ACCRUE TO THE EARLIEST OR SUBSEQUENT DATE OF
24 REDEMPTION, PURCHASE, OR MATURITY OF THESE BONDS OR NOTES. THE
25 PROCEEDS OF BONDS OR NOTES ISSUED FOR THE PURPOSE OF REFUNDING
26 OUTSTANDING BONDS OR NOTES MAY BE APPLIED BY THE AUTHORITY TO THE
27 PURCHASE OR RETIREMENT AT MATURITY OR REDEMPTION OF OUTSTANDING

1 BONDS OR NOTES EITHER ON THE EARLIEST OR SUBSEQUENT REDEMPTION
2 DATE, AND PENDING SUCH APPLICATIONS, MAY BE PLACED IN ESCROW TO BE
3 APPLIED TO THE PURCHASE OR RETIREMENT AT MATURITY OR REDEMPTION ON
4 THE DATE OR DATES DETERMINED BY THE AUTHORITY. PENDING SUCH
5 APPLICATION AND SUBJECT TO AGREEMENTS WITH NOTEHOLDERS OR
6 BONDHOLDERS, THE ESCROWED PROCEEDS MAY BE INVESTED AND REINVESTED
7 IN THE MANNER THE AUTHORITY DETERMINES, MATURING AT THE DATE OR
8 TIMES AS APPROPRIATE TO ASSURE THE PROMPT PAYMENT OF THE PRINCIPAL,
9 INTEREST, AND REDEMPTION PREMIUM, IF ANY, ON THE OUTSTANDING BONDS
10 OR NOTES TO BE REFUNDED. AFTER THE TERMS OF THE ESCROW HAVE BEEN
11 FULLY SATISFIED AND CARRIED OUT, THE BALANCE OF THE PROCEEDS AND
12 INTEREST, INCOME, AND PROFITS, IF ANY, EARNED OR REALIZED ON THE
13 INVESTMENT OF THE PROCEEDS SHALL BE RETURNED TO THE AUTHORITY FOR
14 USE BY THE AUTHORITY IN ANY LAWFUL MANNER.

15 (2) IN THE RESOLUTION AUTHORIZING BONDS OR NOTES TO REFUND
16 BONDS OR NOTES, THE AUTHORITY MAY PROVIDE THAT THE BONDS OR NOTES
17 TO BE REFUNDED SHALL BE CONSIDERED PAID WHEN THERE HAS BEEN
18 DEPOSITED IN ESCROW MONEY OR INVESTMENT OBLIGATIONS THAT WOULD
19 PROVIDE PAYMENTS OF PRINCIPAL AND INTEREST ADEQUATE TO PAY THE
20 PRINCIPAL AND INTEREST ON THE BONDS TO BE REFUNDED, AS THAT
21 PRINCIPAL AND INTEREST BECOMES DUE WHETHER BY MATURITY OR PRIOR
22 REDEMPTION AND THAT, UPON THE DEPOSIT OF THE MONEY OR INVESTMENT
23 OBLIGATIONS, THE OBLIGATIONS OF THE AUTHORITY TO THE HOLDERS OF THE
24 BONDS OR NOTES TO BE REFUNDED SHALL BE TERMINATED EXCEPT AS TO THE
25 RIGHTS TO THE MONEY OR INVESTMENT OBLIGATIONS DEPOSITED IN TRUST.

26 SEC. 1918. (1) THE AUTHORITY MAY AUTHORIZE AND APPROVE AN
27 INSURANCE CONTRACT, AN AGREEMENT FOR A LINE OF CREDIT, A LETTER OF

1 CREDIT, A COMMITMENT TO PURCHASE NOTES OR BONDS, AN AGREEMENT TO
2 REMARKET BONDS OR NOTES, AND ANY OTHER TRANSACTION TO PROVIDE
3 SECURITY TO ASSURE TIMELY PAYMENT OF A BOND OR NOTE.

4 (2) THE AUTHORITY MAY AUTHORIZE PAYMENT FROM THE PROCEEDS OF
5 THE NOTES OR BONDS, OR OTHER FUNDS AVAILABLE, OF THE COST OF
6 ISSUANCE INCLUDING, BUT NOT LIMITED TO, FEES FOR PLACEMENT, CHARGES
7 FOR INSURANCE, LETTERS OF CREDIT, LINES OF CREDIT, REMARKETING
8 AGREEMENTS, REIMBURSEMENT AGREEMENTS, OR PURCHASE OR SALES
9 AGREEMENTS OR COMMITMENTS, OR AGREEMENTS TO PROVIDE SECURITY TO
10 ASSURE TIMELY PAYMENT OF NOTES OR BONDS.

11 SEC. 1919. WITHIN LIMITATIONS THAT SHALL BE CONTAINED IN THE
12 ISSUANCE OR AUTHORIZATION RESOLUTION OF THE AUTHORITY, THE
13 AUTHORITY MAY AUTHORIZE A MEMBER OF THE BOARD, THE EXECUTIVE
14 DIRECTOR, OR OTHER OFFICER OF THE AUTHORITY TO DO 1 OR MORE OF THE
15 FOLLOWING:

16 (A) SELL AND DELIVER, AND RECEIVE PAYMENT FOR NOTES OR BONDS.

17 (B) REFUND NOTES OR BONDS BY THE DELIVERY OF NEW NOTES OR
18 BONDS WHETHER OR NOT THE NOTES OR BONDS TO BE REFUNDED HAVE MATURED
19 OR ARE SUBJECT TO REDEMPTION.

20 (C) DELIVER NOTES OR BONDS, PARTLY TO REFUND NOTES OR BONDS
21 AND PARTLY FOR ANY OTHER AUTHORIZED PURPOSE.

22 (D) BUY NOTES OR BONDS SO ISSUED AND RESELL THOSE NOTES OR
23 BONDS.

24 (E) APPROVE INTEREST RATES OR METHODS FOR FIXING INTEREST
25 RATES, PRICES, DISCOUNTS, MATURITIES, PRINCIPAL AMOUNTS,
26 DENOMINATIONS, DATES OF ISSUANCE, INTEREST PAYMENT DATES,
27 REDEMPTION RIGHTS AT THE OPTION OF THE AUTHORITY OR THE HOLDER, THE

1 PLACE OF DELIVERY AND PAYMENT, AND OTHER MATTERS AND PROCEDURES
2 NECESSARY TO COMPLETE THE TRANSACTIONS AUTHORIZED.

3 (F) DIRECT THE INVESTMENT OF ANY AND ALL FUNDS OF THE
4 AUTHORITY.

5 (G) APPROVE THE TERMS OF A CONTRACT, INCLUDING, BUT NOT
6 LIMITED TO, A CONTRACT FOR THE SALE OR CUTTING OF TIMBER, AND
7 EXECUTE AND DELIVER THE CONTRACT SUBJECT TO THE RESTRICTIONS OF
8 THIS PART.

9 (H) APPROVE TERMS OF ANY INSURANCE CONTRACT, AGREEMENT FOR A
10 LINE OF CREDIT, A LETTER OF CREDIT, A COMMITMENT TO PURCHASE NOTES
11 OR BONDS, AN AGREEMENT TO REMARKET BONDS OR NOTES, AN AGREEMENT TO
12 MANAGE PAYMENT, REVENUE, OR INTEREST RATE EXPOSURE, OR ANY OTHER
13 TRANSACTION TO PROVIDE SECURITY TO ASSURE TIMELY PAYMENT OF A BOND
14 OR NOTE.

15 (I) PERFORM ANY POWER, DUTY, FUNCTION, OR RESPONSIBILITY OF
16 THE AUTHORITY.

17 SEC. 1920. A RESOLUTION AUTHORIZING BONDS OR NOTES MAY PROVIDE
18 FOR ALL OF THE FOLLOWING, WHICH SHALL BE PART OF THE CONTRACT WITH
19 THE HOLDERS OF THE BONDS OR NOTES:

20 (A) A PLEDGE TO ANY PAYMENT OR PURPOSE OF ALL OR ANY PART OF
21 AUTHORITY REVENUES OR ASSETS TO WHICH ITS RIGHT THEN EXISTS OR MAY
22 LATER COME TO EXIST, AND OF MONEY DERIVED FROM THE REVENUES OR
23 ASSETS, AND OF THE PROCEEDS OF BONDS OR NOTES OR OF AN ISSUE OF
24 BONDS OR NOTES, SUBJECT TO ANY EXISTING AGREEMENTS WITH BONDHOLDERS
25 OR NOTEHOLDERS.

26 (B) A PLEDGE OF A LOAN, GRANT, OR CONTRIBUTION FROM THE
27 FEDERAL OR STATE GOVERNMENT.

1 (C) THE ESTABLISHMENT AND SETTING ASIDE OF RESERVES OR SINKING
2 FUNDS AND THE REGULATION AND DISPOSITION OF RESERVES OR SINKING
3 FUNDS SUBJECT TO THIS PART.

4 (D) AUTHORITY FOR AND LIMITATIONS ON THE ISSUANCE OF
5 ADDITIONAL BONDS OR NOTES FOR THE PURPOSES PROVIDED FOR IN THE
6 RESOLUTION AND THE TERMS UPON WHICH ADDITIONAL NOTES OR BONDS MAY
7 BE ISSUED AND SECURED.

8 (E) THE PROCEDURE, IF ANY, BY WHICH THE TERMS OF A CONTRACT
9 WITH NOTEHOLDERS OR BONDHOLDERS MAY BE AMENDED OR ABROGATED, THE
10 NUMBER OF NOTEHOLDERS OR BONDHOLDERS WHO ARE REQUIRED TO CONSENT TO
11 THE AMENDMENT OR ABROGATION, AND THE MANNER IN WHICH THE CONSENT
12 MAY BE GIVEN.

13 (F) A CONTRACT WITH THE BONDHOLDERS AS TO THE CUSTODY,
14 COLLECTION, SECURING, INVESTMENT, AND PAYMENT OF ANY MONEY OF THE
15 AUTHORITY. MONEY OF THE AUTHORITY AND DEPOSITS OF MONEY MAY BE
16 SECURED IN THE MANNER DETERMINED BY THE AUTHORITY. BANKS AND TRUST
17 COMPANIES MAY GIVE SECURITY FOR SUCH DEPOSITS.

18 (G) VESTING IN A TRUSTEE, OR A SECURED PARTY, SUCH PROPERTY,
19 INCOME, REVENUES, RECEIPTS, RIGHTS, REMEDIES, POWERS, AND DUTIES IN
20 TRUST OR OTHERWISE AS THE AUTHORITY DETERMINES NECESSARY OR
21 APPROPRIATE TO ADEQUATELY SECURE AND PROTECT NOTEHOLDERS AND
22 BONDHOLDERS OR TO LIMIT OR ABROGATE THE RIGHT OF THE HOLDERS OF
23 BONDS OR NOTES OF THE AUTHORITY TO APPOINT A TRUSTEE UNDER THIS
24 PART OR TO LIMIT THE RIGHTS, POWERS, AND DUTIES OF THE TRUSTEE.

25 (H) PROVIDING TO A TRUSTEE OR THE NOTEHOLDERS OR BONDHOLDERS
26 REMEDIES THAT MAY BE EXERCISED IF THE AUTHORITY FAILS OR REFUSES TO
27 COMPLY WITH THIS PART OR DEFAULTS IN AN AGREEMENT MADE WITH THE

1 HOLDERS OF AN ISSUE OF BONDS OR NOTES, WHICH MAY INCLUDE ANY OF THE
2 FOLLOWING:

3 (i) BY MANDAMUS OR OTHER SUIT, ACTION, OR PROCEEDING AT LAW OR
4 IN EQUITY, ENFORCING THE RIGHTS OF THE BONDHOLDERS OR NOTEHOLDERS,
5 AND REQUIRING THE AUTHORITY TO CARRY OUT ANY OTHER AGREEMENTS WITH
6 THE HOLDERS OF THOSE NOTES OR BONDS AND TO PERFORM THE AUTHORITY'S
7 DUTIES UNDER THIS PART.

8 (ii) BRINGING SUIT UPON THE NOTES OR BONDS.

9 (iii) BY ACTION OR SUIT, REQUIRING THE AUTHORITY TO ACCOUNT AS
10 IF IT WERE THE TRUSTEE OF AN EXPRESS TRUST FOR THE HOLDERS OF THE
11 NOTES OR BONDS.

12 (iv) BY ACTION OR SUIT IN EQUITY, ENJOINING ANY ACTS OR THINGS
13 THAT MAY BE UNLAWFUL OR IN VIOLATION OF THE RIGHTS OF THE HOLDERS
14 OF THE NOTES OR BONDS.

15 (v) DECLARING THE NOTES OR BONDS DUE AND PAYABLE AND, IF ALL
16 DEFAULTS SHALL BE MADE GOOD, THEN, AS PERMITTED BY SUCH RESOLUTION,
17 ANNUL THAT DECLARATION AND ITS CONSEQUENCES.

18 (I) ANY OTHER MATTERS OF LIKE OR DIFFERENT CHARACTER THAT IN
19 ANY WAY AFFECT THE SECURITY OF PROTECTION OF THE BONDS OR NOTES.

20 SEC. 1921. A PLEDGE MADE BY THE AUTHORITY IS VALID AND BINDING
21 FROM THE TIME THE PLEDGE IS MADE. THE MONEY OR PROPERTY PLEDGED AND
22 THEN RECEIVED BY THE AUTHORITY IMMEDIATELY IS SUBJECT TO THE LIEN
23 OF THE PLEDGE WITHOUT A PHYSICAL DELIVERY OR FURTHER ACT. THE LIEN
24 OF A PLEDGE IS VALID AND BINDING AS AGAINST PARTIES HAVING CLAIMS
25 OF ANY KIND IN TORT, CONTRACT, OR OTHERWISE AGAINST THE AUTHORITY,
26 AND IS VALID AND BINDING AS AGAINST THE TRANSFERS OF THE MONEY OR
27 PROPERTY PLEDGED, IRRESPECTIVE OF WHETHER PARTIES HAVE NOTICE.

1 NEITHER THE RESOLUTION, THE TRUST AGREEMENT, NOR ANY OTHER
2 INSTRUMENT BY WHICH A PLEDGE IS CREATED NEED BE RECORDED IN ORDER
3 TO ESTABLISH AND PERFECT A LIEN OR SECURITY INTEREST IN THE
4 PROPERTY SO PLEDGED.

5 SEC. 1922. NEITHER THE MEMBERS OF THE BOARD NOR ANY PERSON
6 EXECUTING BONDS OR NOTES ISSUED UNDER THIS PART OR ANY PERSON
7 EXECUTING ANY AGREEMENT ON BEHALF OF THE AUTHORITY IS LIABLE
8 PERSONALLY ON THE BONDS OR NOTES BY REASON OF THEIR ISSUANCE.

9 SEC. 1923. THE AUTHORITY MAY PURCHASE BONDS OR NOTES OF THE
10 AUTHORITY OUT OF FUNDS OR MONEY OF THE AUTHORITY AVAILABLE FOR THAT
11 PURPOSE. THE AUTHORITY MAY HOLD, CANCEL, OR RESELL AUTHORITY BONDS
12 OR NOTES SUBJECT TO OR IN ACCORDANCE WITH AN AGREEMENT WITH HOLDERS
13 OF AUTHORITY BONDS OR NOTES.

14 SEC. 1924. THE STATE PLEDGES TO AND AGREES WITH THE HOLDERS OF
15 BONDS OR NOTES ISSUED UNDER THIS PART THAT THE STATE SHALL NOT
16 LIMIT OR RESTRICT THE RIGHTS VESTED IN THE AUTHORITY BY THIS PART
17 TO FULFILL THE TERMS OF AN AGREEMENT MADE WITH THE HOLDERS OF
18 AUTHORITY BONDS OR NOTES, OR IN ANY WAY IMPAIR THE RIGHTS OR
19 REMEDIES OF THE HOLDERS OF THE BONDS OR NOTES OF THE AUTHORITY
20 UNTIL THE BONDS AND NOTES, TOGETHER WITH INTEREST ON THE BONDS OR
21 NOTES AND INTEREST ON ANY UNPAID INSTALLMENTS OF INTEREST, AND ALL
22 COSTS AND EXPENSES IN CONNECTION WITH AN ACTION OR PROCEEDINGS BY
23 OR ON BEHALF OF THOSE HOLDERS ARE FULLY MET, PAID, AND DISCHARGED.

24 SEC. 1925. NOTWITHSTANDING ANY RESTRICTION CONTAINED IN ANY
25 OTHER LAW, THE STATE AND A PUBLIC OFFICER, LOCAL UNIT OF
26 GOVERNMENT, OR AGENCY OF THE STATE OR A LOCAL UNIT OF GOVERNMENT; A
27 BANK, TRUST COMPANY, SAVINGS BANK AND INSTITUTION, SAVINGS AND LOAN

1 ASSOCIATION, INVESTMENT COMPANY, OR OTHER PERSON CARRYING ON A
2 BANKING BUSINESS; AN INSURANCE COMPANY, INSURANCE ASSOCIATION, OR
3 OTHER PERSON CARRYING ON AN INSURANCE BUSINESS; OR AN EXECUTOR,
4 ADMINISTRATOR, GUARDIAN, TRUSTEE, OR OTHER FIDUCIARY MAY LEGALLY
5 INVEST FUNDS BELONGING TO THEM OR WITHIN THEIR CONTROL IN BONDS OR
6 NOTES ISSUED UNDER THIS PART, AND AUTHORITY BONDS OR NOTES SHALL BE
7 AUTHORIZED SECURITY FOR PUBLIC DEPOSITS.

8 SEC. 1926. PROPERTY OF THE AUTHORITY IS PUBLIC PROPERTY
9 DEVOTED TO AN ESSENTIAL PUBLIC AND GOVERNMENTAL FUNCTION AND
10 PURPOSE. INCOME OF THE AUTHORITY IS CONSIDERED TO BE FOR A PUBLIC
11 PURPOSE. THE PROPERTY OF THE AUTHORITY AND ITS INCOME AND OPERATION
12 ARE EXEMPT FROM ALL TAXES AND SPECIAL ASSESSMENTS OF THE STATE OR A
13 POLITICAL SUBDIVISION OF THE STATE. BONDS OR NOTES ISSUED BY THE
14 AUTHORITY, AND THE INTEREST ON AND INCOME FROM THOSE BONDS AND
15 NOTES, ARE EXEMPT FROM ALL TAXATION OF THE STATE OR A POLITICAL
16 SUBDIVISION OF THE STATE.

17 SEC. 1927. THIS PART SHALL BE CONSTRUED LIBERALLY TO
18 EFFECTUATE THE LEGISLATIVE INTENT AND THE PURPOSES AS COMPLETE AND
19 INDEPENDENT AUTHORITY FOR THE PERFORMANCE OF EACH AND EVERY ACT AND
20 THING AUTHORIZED BY THIS PART, AND ALL POWERS GRANTED SHALL BE
21 BROADLY INTERPRETED TO EFFECTUATE THE INTENT AND PURPOSES AND NOT
22 AS A LIMITATION OF POWERS.

23 SEC. 1928. THE AUTHORITY MAY PROMULGATE RULES AS NECESSARY TO
24 IMPLEMENT THIS PART.

25 Enacting section 1. This amendatory act does not take effect
26 unless Senate Joint Resolution ____ or House Joint Resolution ____
27 (request no. 06687'08) of the 94th Legislature becomes a part of

1 the state constitution of 1963 as provided in section 1 of article
2 XII of the state constitution of 1963.