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## FOREIGN CURRENCY BONDS

House Bill 5056  
Sponsor: Rep. Greg Kaza  
Committee: Urban Policy

Complete to 10-16-95

### A SUMMARY OF HOUSE BILL 5056 AS INTRODUCED 9-19-95

House Bill 5056 would amend the Municipal Finance Act to permit a "distressed urban area" to issue bonds denominated in a foreign currency, unless prohibited by law. Under the bill, a "distressed urban area" is defined to mean a city that has been designated an empowerment zone or enterprise community by the U. S. Department of Housing and Urban Development (HUD). The bill would place the following restrictions on the issuance of these bonds:

- \*\* The issuance would be subject to favorable market conditions.
- \*\* If the foreign denomination was not disclosed by the underwriter to a prospective purchaser in writing before a sale, the sale could be voided by the purchaser.
- \*\* The distressed urban area would be required to file notice of each issuance with the Department of Treasury, specifying the principal and the currency, no later than ten calendar days after delivery to a purchaser.

MCL 131.16

House Bill 5056 (10-16-95)