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Senate Fiscal Agency  
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**SFA**

BILL ANALYSIS

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Senate Bills 1067 through 1074 (as reported without amendment)

Sponsor: Senator Martha G. Scott (S.B. 1067)  
Senator John J.H. Schwarz, M.D. (S.B. 1068)  
Senator William Van Regenmorter (S.B. 1069)  
Senator Joanne G. Emmons (S.B. 1070)  
Senator Bill Bullard, Jr. (S.B. 1071, 1074)  
Senator Alan Sanborn (S.B. 1072)  
Senator Alma Wheeler Smith (S.B. 1073)

Committee: Finance

## **CONTENT**

Senate Bills 1067, 1069, 1073, and 1074 would amend various statutes to delete references to the Municipal Finance Act, and require compliance with the Revised Municipal Finance Act or the Revenue Bond Act. The remaining bills would repeal statutes that authorize local units of government to borrow money or issue bonds for specific purposes.

(Public Act 34 of 2001 creates the "Revised Municipal Finance Act" to regulate borrowing by municipalities, and their issuance of securities; repeal the Municipal Finance Act; and prescribe the powers and duties of the Department of Treasury to protect the credit of the State and its municipalities. The Act will take effect March 1, 2002. The Municipal Finance Act will be repealed on that day, except for two sections that will be repealed on April 30, 2002.)

Senate Bill 1067 would amend Public Act 182 of 1971, which allows a city or village operating a public utility to borrow money to acquire, improve, or repair a public utility facility, to specify that bonds, notes, or other evidences of indebtedness would be subject to the Revenue Bond Act. (The Revenue Bond Act allows public corporations to issue revenue bonds, and pay for the bonds with revenue generated by fees and charges for public improvements, and taxes and special assessments.) Further, the bill would eliminate provisions pertaining to prior approval.

Senate Bill 1068 would repeal Public Act 325 of 1919, which allows cities to borrow money and issue bonds to provide for soldiers and sailors memorials.

Senate Bill 1069 would amend Public Act 33 of 1951, which allows certain local units to provide police and fire protection, to specify that bonds issued under the Act would be subject to the Revised Municipal Finance Act.

Senate Bill 1070 would repeal Public Act 228 of 1911, which allows counties to issue bonds for county fairs and exhibitions.

Senate Bill 1071 would repeal Public Act 26 of 1911, which provides bonding authority for certain villages for water service and lighting.

Senate Bill 1072 would repeal Public Act 209 of 1925, which allows a village with a population under 1,000 to issue bonds to provide a courthouse and a jail.

Senate Bill 1073 would amend the Metropolitan District Act, which allows an incorporated district to issue bonds to provide public utilities and parks, to specify that a revenue bond issued under the Act would be subject to the Revenue Bond Act. Further, the bill provides that all other bonds issued under the Metropolitan District Act would be subject to the Revised Municipal Finance Act.

Senate Bill 1074 would amend Public Act 234 of 1925, which allows port districts to borrow money to fund various projects. Section 32 of the Act allows a port commission to borrow money and issue warrants in anticipation of tax revenue. The bill provides that bonds, notes, or warrants issued under Section 32 would be subject to the Revised Municipal Finance Act.

MCL 460.461 & 460.462 (S.B. 1067)  
35.871-35.873 (S.B. 1068)  
41.801 (S.B. 1069)  
46.111 (S.B. 1070)  
79.1 & 79.2 (S.B. 1071)  
79.41-79.43 (S.B. 1072)  
119.4 & 119.5 (S.B. 1073)  
120.32 (S.B. 1074)

Legislative Analyst: George Towne

### **FISCAL IMPACT**

The bills would have no fiscal impact on State or local government.

Date Completed: 2-13-02

Fiscal Analyst: David Zin

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.