

SENATE BILL No. 1078

February 5, 2002, Introduced by Senator SIKKEMA and referred to the Committee on Finance.

A bill to amend 1978 PA 639, entitled
"Hertel-Law-T. Stopczynski port authority act,"
by amending sections 14 and 18 (MCL 120.114 and 120.118), as
amended by 1983 PA 23.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 14. (1) An authority may provide by resolution for the
2 issuance of revenue bonds of the authority for the purpose of
3 providing funds for paying the cost of port facilities, or for
4 paying the cost of an extension, enlargement, or improvement of a
5 project then under the control of the authority. The bonds may
6 be term bonds or serial bonds, or a combination ~~thereof~~ OF
7 BOTH, and shall be issued, sold publicly or privately, and exe-
8 cuted in a manner ~~as may be~~ determined by the authority. The
9 bonds issued ~~pursuant to~~ UNDER this section ~~shall bear~~
10 ~~interest at the rate provided in the municipal finance act, Act~~

1 ~~No. 202 of the Public Acts of 1943, as amended, being sections~~
2 ~~131.1 to 139.3 of the Michigan Compiled Laws, payable semiannual-~~
3 ~~ly, and shall mature at a time or times, not exceeding 40 years~~
4 ~~after their date of issuance, as the authority may provide.~~

5 ~~Unless an exception from prior approval is available pursuant to~~
6 ~~subsection (5), a bond issued under this act must first be~~
7 ~~approved by the municipal finance commission or its successor~~
8 ~~agency.~~

9 (2) ~~When the authority considers refunding expedient, the~~
10 ~~authority may refund bonds by the issuance of new bonds, whether~~
11 ~~the bonds to be refunded have or have not matured. The refunding~~
12 ~~bonds shall be sold and the proceeds applied to the purchase,~~
13 ~~redemption, or payment of the bonds to be refunded. The proceeds~~
14 ~~of the bonds of each series issued pursuant to this section shall~~
15 ~~be paid to a trustee under a trust agreement securing the bonds~~
16 ~~and shall be disbursed in a manner and under restrictions as may~~
17 ~~be provided in the trust agreement.~~ REVENUE BONDS ISSUED UNDER
18 THIS SECTION ARE SUBJECT TO THE REVENUE BOND ACT OF 1933, 1933
19 PA 94, MCL 141.101 TO 141.140.

20 (3) Revenue bonds issued pursuant to this section shall not
21 be considered to constitute a debt of ~~the~~ THIS state, ~~or~~ a
22 political subdivision of ~~the~~ THIS state, ~~or of~~ the authority,
23 or any constituent unit, or a pledge of the faith and credit of
24 ~~the~~ THIS state or a political subdivision of ~~the~~ THIS state
25 or of the authority or any constituent unit, but shall be payable
26 solely from the revenues or income to be derived from the
27 projects. The revenue bonds shall contain on their face a

1 statement to the effect that the bonds and attached coupons are
2 payable solely from revenues and are not a general obligation of
3 ~~the~~ THIS state, a political subdivision of ~~the~~ THIS state,
4 the authority, or a constituent unit, and neither the faith and
5 credit nor the taxing power of ~~the~~ THIS state, a political sub-
6 division of ~~the~~ THIS state, the authority, or a constituent
7 unit, is pledged to the payment of the principal of or the inter-
8 est on the bonds.

9 (4) This act shall be construed as authorizing the issuance
10 of revenue bonds under this act without submitting the question
11 of issuance to the voters of the constituent units of the
12 authority. Except in the case of refunding bonds, the authority
13 shall publish a notice of intent to issue bonds. The notice
14 shall be directed to the electors of each of the constituent
15 units of the authority, and shall be published in a newspaper
16 ~~which~~ THAT has general circulation in the territory of the
17 authority, and shall state the maximum amount of bonds to be
18 issued, the purpose of the bonds, source of payment, right of
19 referendum on the bonds, and other information the authority
20 determines necessary to adequately inform the electors of the
21 nature of the issue. If, within 90 days after the publication of
22 the notice a petition, signed by not less than 10% or 15,000 of
23 the registered electors, whichever is less, residing within the
24 limits of all of the constituent units of the authority, is filed
25 with the clerk, or other recording officer, of the county where
26 the authority is located, requesting a referendum upon the
27 question of the issuance of the bonds, then the bonds shall not

1 be issued until approved by the vote of a majority of the
2 electors of all of the constituent units of the authority taken
3 as a whole and not individually qualified to vote and voting on
4 the bonds at a general or special election. A special election
5 called for this purpose shall not be included in statutory or
6 charter limitation as to the number of special elections to be
7 called within a period of time. Signatures on the petition shall
8 be verified by a person under oath, as the actual signatures of
9 the persons whose names are signed to the petition, and the
10 clerk, or other recording officer, of the county where the
11 authority is located shall have the same power to reject signa-
12 tures and petitions as city clerks pursuant to section 25 of ~~Act~~
13 ~~No. 279 of the Public Acts of 1909, as amended, being section~~
14 ~~117.25 of the Michigan Compiled Laws~~ THE HOME RULE CITY ACT,
15 1909 PA 279, MCL 117.25. The number of registered electors in
16 any constituent unit of the authority shall be determined by the
17 township or city registration books, or both. Section 5 of ~~Act~~
18 ~~No. 279 of the Public Acts of 1909, as amended, being section~~
19 ~~117.5 of the Michigan Compiled Laws~~ THE HOME RULE CITY ACT, 1909
20 PA 279, MCL 117.5, relative to notice of intention to issue
21 bonds, shall not apply to the authorization of the issuance of
22 bonds under this act.

23 ~~(5) The requirement of subsection (1) for obtaining the~~
24 ~~prior approval of the municipal finance commission or its succes-~~
25 ~~sor agency before issuing bonds under this act shall be subject~~
26 ~~to sections 10 and 11 of chapter III of Act No. 202 of the Public~~
27 ~~Acts of 1943, being sections 133.10 and 133.11 of the Michigan~~

~~1 Compiled Laws, and the department of treasury shall have the same
2 authority as provided by section 11 of Act No. 202 of the Public
3 Acts of 1943 to issue an order providing or denying an exception
4 from the prior approval required by subsection (1) for bonds
5 authorized by this act.~~

6 Sec. 18. (1) In addition to the bonds authorized in section
7 14, bonds may be issued for the purpose of acquiring port facili-
8 ties, as follows:

9 (a) By the issuance of bonds in anticipation of payments to
10 become due under contracts by which 1 or more constituent units
11 agree to pay to an authority operating under this act certain
12 sums toward the cost of the acquisition, improvement, enlarge-
13 ment, or extension of a project ~~which~~ THAT may be made under
14 this act.

15 (b) By money advanced by an authority operating under this
16 act under agreements with a constituent unit or other municipal-
17 ity for the repayment of the money.

18 (c) By money advanced, from time to time, before or during
19 construction of a project, by a public or private corporation,
20 firm, or individual, for which an authority operating under this
21 act shall reimburse the individual, firm, or corporation with
22 interest not to exceed 8% per annum or without interest as may be
23 agreed, when funds are available for reimbursement. The obliga-
24 tion of an authority to make the reimbursement may be evidenced
25 by a contract or note, which contract or note may be made payable
26 out of the payments to be made by constituent units under
27 contracts made pursuant to subdivision (b), or out of the

1 proceeds of bonds issued pursuant to this act by the county or
2 out of any other available funds. ~~but the contract or note shall~~
3 ~~not be considered an obligation within the meaning of Act No. 202~~
4 ~~of the Public Acts of 1943, as amended, being sections 131.1 to~~
5 ~~139.3 of the Michigan Compiled Laws.~~

6 (2) Bonds issued under this section shall be authorized by a
7 resolution adopted by the authority. The bonds shall be issued
8 in the name of the authority and shall be executed by the chair-
9 person and secretary-treasurer of the authority, who shall also
10 cause their facsimile signatures to be affixed to the interest
11 coupons to be attached to the bonds. The authority shall adopt a
12 seal ~~which~~ THAT shall be affixed to the bonds. Bonds issued
13 under this section shall be negotiable instruments. ~~and shall be~~
14 ~~serial bonds payable annually, with the first maturity due not~~
15 ~~more than 5 years and the last maturity not more than 40 years~~
16 ~~after the date of issuance. Annual maturity payable after 5~~
17 ~~years after the date of issuance of the bonds shall not be less~~
18 ~~than 1/5 of the amount of any subsequent maturity on the same~~
19 ~~series of bonds. The bonds shall bear interest at not more than~~
20 ~~the maximum rate permitted by Act No. 202 of the Public Acts of~~
21 ~~1943, as amended, payable semiannually, except that the first~~
22 ~~coupon may be for any number of months not exceeding 10. The~~
23 bonds and coupons shall be made payable in lawful money of the
24 United States and shall be exempt from all taxation whatsoever by
25 ~~the~~ THIS state or by any taxing authority within ~~the~~ THIS
26 state. ~~The bonds may be sold at public or private sale. The~~
27 bonds authorized in this section and section 14 shall not, except

~~1 as to interest rate and as provided by section 14(5), be subject
2 to Act No. 202 of the Public Acts of 1943, as amended.~~

3 (3) BONDS OR NOTES ISSUED UNDER THIS SECTION ARE SUBJECT TO
4 THE REVISED MUNICIPAL FINANCE ACT, 2001 PA 34, MCL 141.2101 TO
5 141.2821.