

**SUBSTITUTE FOR  
HOUSE BILL NO. 6045**

A bill to provide for the procedure for allocation, reallocation, and waiver of federal bond limitations under certain bond programs; and to prescribe certain powers and duties of certain state agencies and public officers.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 1. Unless prohibited by applicable federal law, the state  
2 treasurer shall allocate and reallocate any federal law bond  
3 limitation allocated, reallocated, or waived to the state of  
4 Michigan before January 1, 2011 for any of the following in  
5 accordance with the federal law establishing the bond limitation:

- 6           (a) Qualified school construction bonds.  
7           (b) Recovery zone economic development bonds.  
8           (c) Recovery zone facility bonds.

9           Sec. 2. (1) Except as otherwise provided in this section,

1 unless prohibited by applicable federal law, the state treasurer  
2 may provide for the waiver, deemed waiver, or reallocation to the  
3 state of Michigan of any federal bond limitations specified in  
4 section 1 allocated to projects, municipalities, or other entities  
5 within this state. The state treasurer shall not consider any  
6 federal bond limitation specified in section 1 a deemed waiver  
7 before July 1, 2010.

8 (2) Subject to subsection (4), beginning July 1, 2010, the  
9 state treasurer may consider any bond limitation specified in  
10 section 1 a deemed waiver unless the municipality or other entity  
11 that was allocated the bond limitation does all of the following:

12 (a) The municipality or other entity adopts a resolution  
13 describing the project and indicating the intent to issue bonds for  
14 the project.

15 (b) The municipality or other entity provides communications  
16 from a third party nationally recognized bond counsel attesting to  
17 the viability of the project.

18 (c) If applicable, the municipality or other entity provides  
19 communications from a third party that is responsible for payment  
20 of the bonds.

21 (3) Subject to subsection (5), beginning September 1, 2010,  
22 the state treasurer may consider any bond limitation specified in  
23 section 1 a deemed waiver if the municipality or other entity that  
24 was allocated the bond limitation has not issued the bonds and  
25 other municipalities or other entities have need for additional  
26 bond limitation authority.

27 (4) If the final deadline for issuing bonds is extended by

1 federal law enacted after the effective date of this act, then the  
2 state treasurer shall not consider any federal bond limitation  
3 specified under section 1 a deemed waiver prior to 180 days prior  
4 to the last day provided for issuing those bonds and may consider  
5 any federal bond limitation specified in section 1 a deemed waiver  
6 after 180 days prior to the deadline for issuing those bonds unless  
7 the municipality or other entity that was allocated the bond  
8 limitation does all of the following:

9 (a) The municipality or other entity adopts a resolution  
10 describing the project and indicating the intent to issue bonds for  
11 the project.

12 (b) The municipality or other entity provides communications  
13 from a third party nationally recognized bond counsel attesting to  
14 the viability of the project.

15 (c) If applicable, the municipality or other entity provides  
16 communications from a third party that is responsible for payment  
17 of the bonds.

18 (5) If the final deadline for issuing bonds is extended by  
19 federal law enacted after the effective date of this act, then the  
20 state treasurer may consider any federal bond limitation specified  
21 in section 1 a deemed waiver after 120 days prior to the deadline  
22 for issuing those bonds if the municipality or other entity that  
23 was allocated the bond limitation has not issued the bonds and  
24 other municipalities or other entities have need for additional  
25 bond limitation authority.

26 (6) If a deemed waiver has occurred under subsection (1) prior  
27 to the enactment of any federal law to which the provisions of this

1 section would otherwise apply, any deemed waiver amounts that have  
2 not been reallocated shall be returned to the municipality or other  
3 entity and the provisions of subsections (4), (5), (7), and (8)  
4 shall apply to the reallocated amounts.

5 (7) A municipality or other entity to which a deemed waiver  
6 applies may obtain a reallocation of the amount deemed waived if it  
7 subsequently demonstrates a viable project to the state treasurer  
8 and the amount deemed waived remains available for allocation.

9 (8) The state treasurer shall make an effort to reallocate  
10 bond limitations that have been waived voluntarily or have been  
11 deemed waived for failing to comply with the provisions of  
12 subsections (2) and (4) before reallocating bond limitations that  
13 have been deemed waived under subsections (3) and (5).

14 Sec. 3. In determining any allocation or reallocation under  
15 this act, the state treasurer shall, to the extent practicable,  
16 give priority to projects within a region in which an original  
17 allocation existed or a remaining allocation exists and which  
18 reflect a consensus or preference among entities to which original  
19 allocations were provided. However, an entity to which an  
20 allocation or reallocation is provided shall not issue bonds for a  
21 project that benefits a person who has been convicted of a felony  
22 if the conviction will have a material impact on the ability of the  
23 person to participate in the project.

24 Sec. 4. Any allocation or reallocation of bond limitation for  
25 qualified school construction bonds, recovery zone economic  
26 development bonds, or recovery zone facility bonds made by the  
27 Michigan department of education, the Michigan department of

1 energy, labor, and economic growth, or the state treasurer prior to  
2 the effective date of this act is hereby ratified and confirmed.

3       Sec. 5. As used in this act, "municipality or other entity"  
4 means a county, city, school district, or other entity that has  
5 received a federal bond limitation allocation.