

# HOUSE BILL No. 6070

December 2, 2014, Introduced by Rep. Kosowski and referred to the Committee on Local Government.

A bill to amend 1976 PA 448, entitled "Michigan energy employment act of 1976," by amending section 42 (MCL 460.842), as amended by 2002 PA 358.

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

1           Sec. 42. (1) A joint agency may issue bonds to pay all or part  
2 of project costs of the joint agency. The bonds shall be payable  
3 from and may be issued in anticipation of payment of the proceeds  
4 of any of the methods of financing described in section 41 or  
5 elsewhere in this act or as may be provided by law. A member  
6 municipality of the joint agency may contract as provided in  
7 section 43 or may contract to make payments, appropriations, or  
8 contributions to the joint agency of the proceeds of taxes, special  
9 assessments, or charges imposed and collected by the member  
10 municipality or out of other funds legally available, and may

1 pledge its full faith and credit in support of its contractual  
2 obligation to the joint agency. The contractual obligation shall  
3 not constitute an indebtedness of the municipality within a  
4 statutory or charter debt limitation. If the joint agency issues  
5 bonds in anticipation of payments, appropriations, or contributions  
6 to be made to the joint agency pursuant to contract by a political  
7 subdivision having the power to levy and collect ad valorem taxes,  
8 the political subdivision may obligate itself by the contract, and  
9 thereupon may levy a tax on all taxable property within the  
10 political subdivision, which tax as to rate or amount will not be  
11 subject to limitation, as provided in section 6 of article IX of  
12 the state constitution of 1963, for contract obligations in  
13 anticipation of which bonds are issued to provide sufficient money  
14 to fulfill its contractual obligation to the joint agency. The  
15 contract is not subject to the revised municipal finance act, 2001  
16 PA 34, MCL 141.2101 to 141.2821.

17 (2) The bonds may be:

18 (a) Issued for any period of years not exceeding 50.

19 (b) Issued for a consideration other than cash.

20 (c) For an amount that includes interest capitalized for a  
21 period of not more than 10 years after the date of the bonds.

22 (d) Secured by revenues, contract payments, funds, or  
23 investments and securities as determined by the joint agency.

24 (3) The resolution authorizing bonds may provide for the  
25 appointment of 1 or more trustees for bondholders and a trustee may  
26 be an individual or corporation domiciled or located within or  
27 without this state and may be given appropriate powers whether with

1 or without the execution of an indenture.

2 (4) Bonds issued by any joint agency under this act are  
3 subject to the revised municipal finance act, 2001 PA 34, MCL  
4 141.2101 to 141.2821.

5 (5) A municipality or governmental unit may advance money or  
6 deliver property to the joint agency to enable it to carry out or  
7 finance any of its powers and duties. The joint agency may agree to  
8 repay an advance or pay for the property within a period of not  
9 more than 10 years, from the proceeds of its bonds or from other  
10 funds legally available for that purpose, with or without interest  
11 as may be agreed at the time of the advance or delivery. The  
12 obligation of the joint agency to make the repayment or payment may  
13 be evidenced by contract or note, which contract or note may pledge  
14 a source of payment determined by the joint agency.

15 (6) A municipality desiring to enter into a contract under  
16 this section pledging the full faith and credit of the municipality  
17 shall authorize, by resolution of its governing body, the execution  
18 of the contract. ~~Subsequent~~**BEFORE JANUARY 1, 2015, SUBSEQUENT** to  
19 the adoption of the resolution a notice of the contract shall be  
20 published **BY THE MUNICIPALITY** in a newspaper of general publication  
21 in the municipality. ~~which~~**BEGINNING JANUARY 1, 2015, SUBSEQUENT**  
22 **TO THE ADOPTION OF THE RESOLUTION A NOTICE OF THE CONTRACT SHALL BE**  
23 **PROVIDED BY THE MUNICIPALITY AS TIER A PUBLIC NOTICE AS SET FORTH**  
24 **IN THE LOCAL GOVERNMENT PUBLIC NOTICE ACT. THE** notice shall state  
25 **ALL OF THE FOLLOWING:**

26 (a) That the governing body has adopted a resolution  
27 authorizing execution of the contract.

1 (b) The purpose of the contract.

2 (c) The source of payment of the municipality's contractual  
3 obligation.

4 (d) The right of referendum on the contract.

5 (e) Any other information that the governing body determines  
6 to be necessary to adequately inform all interested persons of the  
7 nature of the obligation.

8 (7) The contract may be executed and delivered by the  
9 municipality upon approval by its governing body without a vote of  
10 the electors, but the contract shall not become effective until the  
11 expiration of 45 days after the date of ~~publication~~ of the notice  
12 **UNDER SUBSECTION (6)**. If within the 45-day period a petition signed  
13 by at least 10% or 15,000, whichever is the lesser, of the  
14 registered electors residing within the limits of the municipality  
15 is filed with the clerk of the municipality requesting a referendum  
16 upon the contract, the contract shall not become effective until  
17 approved by the vote of a majority of the electors of the  
18 municipality qualified to vote and voting on the question at a  
19 general or special election, which election shall be held within  
20 180 days after the filing of a petition. When a contract described  
21 in this section is to be entered into by any township only on  
22 behalf of the unincorporated area of the township, only the  
23 registered electors residing within the unincorporated area of the  
24 township shall be qualified to sign the petition and vote at the  
25 election.

26 Enacting section 1. This amendatory act does not take effect  
27 unless Senate Bill No. \_\_\_\_ or House Bill No. 5560 (request no.

1 03796'13) of the 97th Legislature is enacted into law.