



SENATE BILL No. 488

May 2, 1995, Introduced by Senator EMMONS and referred to the Committee on Finance.

A bill to amend section 3 of Act No. 329 of the Public Acts of 1988, entitled

"Recreation bond implementation act,"

being section 318.573 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

Section 1. Section 3 of Act No. 329 of the Public Acts of 1988, being section 318.573 of the Michigan Compiled Laws, is amended to read as follows:

Sec. 3. (1) The bonds issued under the recreation bond authorization act, ACT NO. 327 OF THE PUBLIC ACTS OF 1988, BEING SECTIONS 318.551 TO 318.560 OF THE MICHIGAN COMPILED LAWS, shall be issued in 1 or more series, each series to be in a principal amount, to be dated, to have the maturities which may be either serial, term, or term and serial, to bear interest at a rate or rates, to be subject or not subject to prior redemption, and if

1 subject to prior redemption with or without call premiums, to be
2 payable at a place or places, to have or not have provisions for
3 registration as to principal only or as to both principal and
4 interest, to be in a form and to be executed in a manner as shall
5 be determined by resolution to be adopted by the state adminis-
6 trative board and to be subject to or granting those covenants,
7 directions, restrictions, or rights specified by resolution to be
8 adopted by the state administrative board as necessary to insure
9 the marketability, insurability, or tax exempt status. The state
10 administrative board shall rotate legal counsel when issuing
11 bonds.

12 (2) THE STATE ADMINISTRATIVE BOARD MAY REFUND BONDS ISSUED
13 UNDER THIS ACT BY THE ISSUANCE OF NEW BONDS, WHETHER OR NOT THE
14 BONDS TO BE REFUNDED HAVE MATURED OR ARE SUBJECT TO PRIOR
15 REDEMPTION. THE STATE ADMINISTRATIVE BOARD MAY ISSUE BONDS TO
16 PARTLY REFUND BONDS ISSUED UNDER THIS ACT AND PARTLY FOR ANY
17 OTHER PURPOSE PROVIDED BY THIS ACT.

18 (3) THE STATE ADMINISTRATIVE BOARD MAY AUTHORIZE AND APPROVE
19 INSURANCE CONTRACTS, AGREEMENTS FOR LINES OF CREDIT, LETTERS OF
20 CREDIT, COMMITMENTS TO PURCHASE BONDS, AND ANY OTHER TRANSACTION
21 TO PROVIDE SECURITY TO ASSURE TIMELY PAYMENT OR PURCHASE OF ANY
22 BOND ISSUED UNDER THIS ACT.

23 (4) ~~(2)~~ The state administrative board ~~by resolution~~ may
24 authorize the state treasurer, BUT ONLY WITHIN LIMITATIONS THAT
25 ARE CONTAINED IN THE AUTHORIZING RESOLUTION OF THE BOARD, to
26 ~~provide for the sale of the bonds at a discount, investment and~~
27 ~~reinvestment of bond sales proceeds, other details for the bonds,~~

1 ~~the costs of issuance, and the security for the bonds as is~~
2 ~~necessary and advisable.~~ DO 1 OR MORE OF THE FOLLOWING:

3 (A) SELL AND DELIVER AND RECEIVE PAYMENT OF THE BONDS.

4 (B) DELIVER BONDS PARTLY TO REFUND BONDS AND PARTLY FOR
5 OTHER AUTHORIZED PURPOSES.

6 (C) SELECT WHICH OUTSTANDING BONDS WILL BE REFUNDED, IF ANY,
7 BY THE NEW ISSUE OF BONDS.

8 (D) BUY BONDS SO ISSUED AT NOT MORE THAN THEIR FACE VALUE.

9 (E) APPROVE INTEREST RATES OR METHODS FOR FIXING INTEREST
10 RATES, PRICES, DISCOUNTS, MATURITIES, PRINCIPAL AMOUNTS, PURCHASE
11 PRICES, PURCHASE DATES, REMARKETING DATES, DENOMINATIONS, DATES
12 OF ISSUANCE, INTEREST PAYMENT DATES, REDEMPTION RIGHTS AT THE
13 OPTION OF THE STATE OR THE OWNER, THE PLACE AND TIME OF DELIVERY
14 AND PAYMENT, AND OTHER MATTERS AND PROCEDURES NECESSARY TO COM-
15 PLETE THE AUTHORIZED TRANSACTIONS.

16 (F) EXECUTE, DELIVER, AND PAY THE COST OF REMARKETING AGREE-
17 MENTS, INSURANCE CONTRACTS, AGREEMENTS FOR LINES OF CREDIT, LET-
18 TERS OF CREDIT, COMMITMENTS TO PURCHASE BONDS OR NOTES, AND ANY
19 OTHER TRANSACTION TO PROVIDE SECURITY TO ASSURE TIMELY PAYMENTS
20 OR PURCHASE OF ANY BOND ISSUED UNDER THIS ACT.

21 (5) ~~(3)~~ The bonds shall be approved by the department of
22 treasury before their issuance but ~~shall~~ ARE not otherwise ~~be~~
23 subject to the municipal finance act, Act No. 202 of the Public
24 Acts of 1943, being sections 131.1 to 139.3 of the Michigan
25 Compiled Laws.

26 (6) ~~(4)~~ The bonds or any series of the bonds shall be sold
27 at such price and at a publicly advertised sale or a

1 competitively negotiated sale as ~~shall be~~ determined by the
2 state administrative board. If bonds are issued at a competi-
3 tively negotiated sale, the state administrative board shall use
4 its best efforts to include firms based in this state in the sale
5 of the bonds.

6 (7) ~~(5)~~ Except as provided in subsection ~~(6)~~ (8), the
7 bonds shall be sold in accordance with the following schedule,
8 beginning during the first year after ~~the effective date of this~~
9 ~~act~~ DECEMBER 1, 1988:

10 (a) Not more than 34% shall be sold during the first year.

11 (b) Not more than 33% shall be sold during the second year.

12 (c) Not more than 33% shall be sold during the third year.

13 (d) After the third year any remaining bonds may be sold at
14 the discretion of the state administrative board.

15 (8) ~~(6)~~ The state administrative board may alter the
16 schedule for issuance of the bonds provided in subsection ~~(5)~~
17 (7) if amendments to the internal revenue code of 1986 would
18 impair the tax exempt status of the bonds.