

SENATE BILL No. 833

November 6, 2003, Introduced by Senators SANBORN, TOY, VAN WOERKOM, JOHNSON, SIKKEMA, BROWN, McMANUS, JELINEK, BIRKHOLZ, CROSEY, GILBERT, GEORGE, CASSIS, GOSCHKA, STAMAS, HAMMERSTROM, BERNERO, HARDIMAN, ALLEN, BISHOP and GARCIA and referred to the Committee on Natural Resources and Environmental Affairs.

A bill to amend 1994 PA 451, entitled "Natural resources and environmental protection act," by amending section 19703 (MCL 324.19703), as added by 2002 PA 397.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 19703. (1) Subject to subsection (2), the bonds shall
2 be issued in 1 or more series, each series to be in a principal
3 amount, to be dated, to have the maturities which may be either
4 serial, term, or both, to bear interest at a rate or rates, to be
5 subject or not subject to prior redemption, and if subject to
6 prior redemption with or without call premiums, to be payable at
7 a place or places, to have or not have provisions for
8 registration as to principal only or as to both principal and
9 interest, to be in a form and to be executed in a manner as shall
10 be determined by resolution to be adopted by the state

1 administrative board and subject to or granting those covenants,
2 directions, restrictions, or rights specified by resolution to be
3 adopted by the state administrative board as necessary to ensure
4 the marketability, insurability, or tax exempt status of the
5 bonds. The state administrative board shall rotate the services
6 of legal counsel when issuing bonds.

7 (2) The state administrative board may refund bonds issued
8 under this part by the issuance of new bonds, whether or not the
9 bonds to be refunded have matured or are subject to prior
10 redemption. The state administrative board may issue bonds
11 partly to refund bonds issued under this part and partly for any
12 other purpose provided by this part. The principal amount of any
13 refunding bonds issued pursuant to this section shall not be
14 counted against the limitation on principal amount provided in
15 the Great Lakes water quality bond authorization act.

16 (3) The state administrative board may authorize and approve
17 insurance contracts, agreements for lines of credit, letters of
18 credit, commitments to purchase bonds, and any other transaction
19 to provide security to assure timely payment or purchase of any
20 bond issued under this part. The state administrative board may
21 authorize and approve an interest rate exchange or swap, hedge,
22 or similar agreement in connection with the issuance of bonds
23 under this part, payable from the same source as the bonds.

24 (4) The state administrative board may authorize the state
25 treasurer, but only within limitations contained in the
26 authorizing resolution of the board, to do 1 or more of the
27 following:

1 (a) Sell and deliver and receive payment for the bonds.

2 (b) Deliver bonds partly to refund bonds and partly for other
3 authorized purposes.

4 (c) Select which outstanding bonds will be refunded, if any,
5 by the new issue of bonds.

6 (d) Buy issued bonds.

7 (e) Approve interest rates or methods for determining
8 interest rates, including fixed or variable rates, prices,
9 discounts, maturities, principal amounts, purchase prices,
10 purchase dates, remarketing dates, denominations, dates of
11 issuance, interest payment dates, redemption rights at the option
12 of the state or the owner, the place and time of delivery and
13 payment, and other matters and procedures necessary to complete
14 the authorized transactions.

15 (f) Execute, deliver, and pay the cost of remarketing
16 agreements, insurance contracts, agreements for lines of credit,
17 letters of credit, commitments to purchase bonds or notes, and
18 any other transaction to provide security to assure timely
19 payments or purchase of any bond issued under this part.

20 (g) Determine the details of, execute, deliver, and pay the
21 cost of any interest rate exchange or swap, hedge, or similar
22 agreement.

23 (h) Pledge all or any portion of the strategic water quality
24 initiatives fund created in section 5204 to secure bonds issued
25 or to be issued by the Michigan municipal bond authority created
26 in section 4 of the shared credit rating act, 1985 PA 227,
27 MCL 141.1054, for the purpose of funding loans under the

1 strategic water quality initiatives loan program under part 52.

2 (5) The bonds shall not be subject to the revised municipal
3 finance act, 2001 PA 34, MCL 141.2101 to 141.2821. Issuance of
4 the bonds shall be subject to the agency financing reporting act,
5 **2002 PA 470, MCL 129.171 to 129.177.**

6 (6) The bonds or any series of the bonds shall be sold at
7 public or private sale at such price or may be issued and
8 deposited directly into the state water pollution control
9 revolving fund created in section 16a of the shared credit rating
10 act, 1985 PA 227, MCL 141.1066a, or the strategic water quality
11 initiatives fund created in section 5204, as determined by or
12 pursuant to a resolution of the state administrative board.

13 (7) Not more than ~~10%~~ **20%** of the bonds shall be issued in
14 any year. The first bond issuance shall be structured in such a
15 manner that debt payments do not begin before October 1, 2003.