

SENATE BILL No. 1324

May 12, 2010, Introduced by Senator STAMAS and referred to the Committee on Appropriations.

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) and (b) a deemed waiver prior to 180
4 days prior to the last day provided for issuing those bonds and may
5 consider any federal bond limitation specified in section 1(a) and
6 (b) a deemed waiver after 180 days prior to the deadline for
7 issuing those bonds unless the municipality or other entity that
8 was allocated the bond 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) and (b) a deemed waiver after 120 days prior to the
22 deadline for issuing those bonds if the municipality or other
23 entity that was allocated the bond limitation has not issued the
24 bonds and other municipalities or other entities have need for
25 additional bond limitation authority.

26 (6) Subject to subsection (9), if a deemed waiver has occurred
27 under subsection (1) prior to the enactment of any federal law to

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

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

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

15 (9) Once a recovery zone facility bond limitation allocation
16 has been deemed waived, regardless of whether the federal law
17 establishing that bond limitation is extended, the state treasurer
18 shall reallocate that bond limitation under this act.

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

1 person to participate in the project.

2 Sec. 4. Any allocation or reallocation of bond limitation for
3 qualified school construction bonds, recovery zone economic
4 development bonds, or recovery zone facility bonds made by the
5 Michigan department of education, the Michigan department of
6 energy, labor, and economic growth, or the state treasurer prior to
7 the effective date of this act is hereby ratified and confirmed.

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