

purpose of meeting current expenses of operation and maintenance of its health care facilities and health services. The resolution authorizing the issuance of the notes shall provide for the pledging of income and revenues of the corporation or subsidiary corporation for the payment of the notes, and may also provide for a special sinking fund into which there shall be paid as collected, a sufficient fund from the revenues of the corporation or subsidiary corporation to retire both the principal and interest of the notes at or before maturity. The resolution may also provide for the mortgaging, pledging, or granting of security interests or other liens in other assets of the corporation or subsidiary corporation as additional security for the payment of the notes.

(2) Except as provided in subsection (3), notes issued under this section are not subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821. The issuance of notes described in this subsection is subject to the agency financing reporting act.

(3) Notes issued under this section that pledge the full faith and credit of the corporation are subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

331.1406 Corporation obligations generally.

Sec. 406. (1) Corporation obligations shall be authorized by resolution adopted by a majority vote of the members serving on the board of trustees of the corporation or the subsidiary board of the subsidiary corporation issuing the corporation obligations. However, the resolution shall not take effect until issuance of the corporation obligations has been approved by a majority vote of the members serving on the county board of commissioners, city council, or village council and, in the case of issuance of corporation obligations by a subsidiary corporation, also by a majority vote of the members serving on the board of trustees of its parent corporation. Approval of issuance of corporation obligations by the county board of commissioners, city council, or village council and, if applicable, by the board of trustees of the parent corporation, may take place before or after adoption of the resolution authorizing issuance by the issuing corporation or subsidiary corporation.

(2) Corporation obligations shall be dated, have the maturities, bear interest at the times and the rates, be in the denominations, be in the form, either coupon or registered or both and either certificate or book entry, carry the registration privileges, be executed in the manner, be payable in the medium of payment, at the place or places and be subject to the terms of redemption and other terms as the resolution provides. Corporation obligations may be sold and remarketed by the corporation or subsidiary corporation or by an authorized officer or agent of the corporation or subsidiary corporation, at public or private sale, at the price or prices, the interest rates, and the maturities as the corporation or subsidiary corporation or an authorized officer or agent of the corporation or subsidiary corporation determines in accordance with limits established by the corporation or subsidiary corporation. The corporation or subsidiary corporation may authorize rates of interest that are variable by reference to 1 or more interest rate indices designated by the corporation or subsidiary corporation or to the rate or rates of interest borne by 1 or more series of obligations of the state or the United States, or to a rate or rates of interest announced by the bank or savings and loan association organized under the laws of the United States or any state as the corporation or subsidiary corporation may designate. The corporation obligations may be sold at a discount and at an interest rate or rates that may be varied by an authorized officer or agent of the corporation or subsidiary corporation within the limits established by the corporation or subsidiary corporation as provided in the resolution. Corporation obligations shall not be sold at a price that would make the interest costs on the money borrowed exceed the maximum interest rate then permitted by the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

331.1412 Corporation obligations; statutory provisions to which issuance of obligations subject; legality.

Sec. 412. (1) Except as provided in subsection (2), the corporation obligations shall not be subject to the provisions of the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821. The issuance of corporate obligations described in this subsection is subject to the agency financing reporting act.

(2) Corporate obligations for which a local governmental unit pledges its full faith and credit to guarantee payment are subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

This act is ordered to take immediate effect.

Approved May 29, 2002.

Filed with Secretary of State May 30, 2002.

[No. 396]

(HB 4625)

AN ACT to authorize the issuance of general obligation bonds of the state and to pledge the full faith and credit of the state for the payment of principal and interest on the bonds to finance sewage treatment works projects, storm water projects, and nonpoint source projects, that improve the quality of the waters of the state; to pay for issuing the bonds; to provide for other measures relating to the bonds; and to provide for the submission of the question of the issuance of the bonds to the electors of the state.

The People of the State of Michigan enact:

324.95201 Short title.

Sec. 1. This act shall be known and may be cited as the “Great Lakes water quality bond authorization act”.

324.95202 Financing sewage treatment works projects, storm water projects, and nonpoint source projects; bonds.

Sec. 2. The state shall borrow a sum not to exceed \$1,000,000,000.00 and issue the general obligation bonds of the state, pledging the full faith and credit of the state for the payment of principal and interest on the bonds, to finance sewage treatment works projects, storm water projects, and nonpoint source projects, that improve the quality of the waters of the state.

324.95203 Bonds; issuance; conditions and procedures.

Sec. 3. Bonds shall be issued in accordance with conditions and procedures to be established by law.

324.95204 Disposition of bond proceeds.

Sec. 4. The proceeds of the sale of any series of the bonds, any premium and accrued interest received on the delivery of the bonds, and any interest earned on the proceeds of the bonds shall be deposited in the state treasury and credited to a restricted fund as provided by law and shall be disbursed from that fund only for the purposes for which the bonds have been authorized, including the expense of issuing the bonds. The proceeds of

sale of any series of the bonds, any premium and accrued interest received on the delivery of the bonds, and any interest earned on the proceeds of the bonds shall be expended for the purposes set forth in this act in a manner as provided by law.

324.95205 Submission of question to electors; vote required.

Sec. 5. The question of borrowing a sum not to exceed \$1,000,000,000.00 and the issuance of the general obligation bonds of the state for the purposes set forth in this act shall be submitted to a vote of the electors of the state qualified to vote on the question in accordance with section 15 of article IX of the state constitution of 1963 at the next general election. The question submitted to the electors shall be substantially as follows:

“Shall the state of Michigan finance sewage treatment works projects, storm water projects, and nonpoint source projects, that improve the quality of the waters of the state, by borrowing a sum not to exceed \$1,000,000,000.00 and issuing general obligation bonds of the state, pledging the full faith and credit of the state for the payment of principal and interest on the bonds, the method of repayment of the bonds to be from the general fund of the state?

Yes

No.”.

324.95206 Submission of question to electors; duties of secretary of state.

Sec. 6. The secretary of state shall perform all acts necessary to properly submit the question prescribed by section 5 to the electors of the state qualified to vote on the question at the next general November election.

324.95207 Vote of majority required.

Sec. 7. Bonds shall not be issued under this act unless the question set forth in section 5 is approved by a majority vote of the registered electors voting on the question.

324.95208 Appropriation from general fund; budget recommendations of governor.

Sec. 8. (1) After the issuance of the bonds authorized by this act, there shall be appropriated from the general fund of the state each fiscal year a sufficient amount to pay promptly, when due, the principal of and interest on all outstanding bonds authorized by this act and the costs incidental to the payment of the bonds.

(2) The governor shall include the appropriation provided for in subsection (1) in his or her annual executive budget recommendations to the legislature.

Conditional effective date.

Enacting section 1. This act does not take effect unless all of the following bills of the 91st Legislature are enacted into law:

(a) House Bill No. 5892.

(b) House Bill No. 5893.

This act is ordered to take immediate effect.

Approved May 29, 2002.

Filed with Secretary of State May 30, 2002.

Compiler's note: House Bill No. 5892, referred to in enacting section 1, was filed with the Secretary of State May 30, 2002, and became P.A. 2002, No. 397, Eff. November 5, 2002.

House Bill No. 5893, also referred to in enacting section 1, was filed with the Secretary of State May 30, 2002, and became P.A. 2002, No. 398, Eff. November 5, 2002.

[No. 397]**(HB 5892)**

AN ACT to amend 1994 PA 451, entitled “An act to protect the environment and natural resources of the state; to codify, revise, consolidate, and classify laws relating to the environment and natural resources of the state; to regulate the discharge of certain substances into the environment; to regulate the use of certain lands, waters, and other natural resources of the state; to prescribe the powers and duties of certain state and local agencies and officials; to provide for certain charges, fees, and assessments; to provide certain appropriations; to prescribe penalties and provide remedies; to repeal certain parts of this act on a specific date; and to repeal certain acts and parts of acts,” by amending sections 5301 and 5304 (MCL 324.5301 and 324.5304) and by adding parts 52 and 197.

The People of the State of Michigan enact:

PART 52 STRATEGIC WATER QUALITY INITIATIVES**324.5201 Definitions.**

Sec. 5201. As used in this part:

(a) “Authority” means the Michigan municipal bond authority created in section 4 of the shared credit rating act, 1985 PA 227, MCL 141.1054.

(b) “Department” means the department of environmental quality.

(c) “Fund” means the strategic water quality initiatives fund created in section 5204.

(d) “Loan” means a loan from the loan program.

(e) “Loan program” means the strategic water quality initiatives loan program established under section 5202.

(f) “Municipality” means that term as it is defined in section 5301.

(g) “On-site septic system” means a natural system or mechanical device used to store, treat, and dispose of sewage from 1 or more dwelling units that utilize a subsurface trench or bed that allows the effluent to be absorbed and treated by the surrounding soil, including a septic tank and tile field system.

324.5202 Strategic water quality initiatives loan program; establishment; purpose; interest rate.

Sec. 5202. (1) The authority in consultation with the department shall establish a strategic water quality initiatives loan program. This loan program shall provide low interest loans to municipalities to provide assistance for improvements to a sewage system for 1 or more of the following:

(a) Improvements to reduce or eliminate the amount of groundwater or storm water entering a sanitary sewer lead or a combined sewer lead.

(b) Upgrades or replacements of failing on-site septic systems that are adversely affecting public health or the environment, or both.

(2) In implementing the loan program, the department shall annually establish the interest rate that will be charged for loans.

324.5203 Loan application by municipality; process and administration; agreement; disposition of money received as repayment.

Sec. 5203. (1) A municipality that wishes to apply for a loan shall submit a loan application to the department in accordance with the application requirements provided in part 53.

(2) The department shall process the loan applications submitted under this part and otherwise administer the fund in accordance with the procedures established pursuant to part 53.

(3) Prior to releasing a loan, the authority in consultation with the department shall enter into a loan agreement with the loan recipient in accordance with part 53.

(4) All money that is received for the repayment of a loan shall be forwarded to the state treasurer for deposit into the fund.

324.5204 Strategic water quality initiatives fund; creation; disposition of money or assets; investment; funds remaining at close of fiscal year; expenditures; fund as security.

Sec. 5204. (1) The strategic water quality initiatives fund is created within the state treasury.

(2) The state treasurer may receive money or other assets from any source for deposit into the fund. The state treasurer shall direct the investment of the fund. The state treasurer shall credit to the fund interest and earnings from fund investments. The authority shall act as fiscal agent for the fund in accordance with the shared credit rating act, 1985 PA 227, MCL 141.1051 to 141.1076.

(3) Money in the fund at the close of the fiscal year shall remain in the fund and shall not lapse to the general fund.

(4) The authority in consultation with the department shall expend money from the fund, upon appropriation, only for loans and for the costs of the authority and the department in administering the fund.

(5) The fund may be pledged as security for bonds to be issued by the authority for the purpose of funding loans if authorized by the state administrative board.

324.5205 Rules.

Sec. 5205. The department may promulgate rules to implement this part.

324.5206 Legislative findings.

Sec. 5206. The legislature finds and declares that the environmental, natural resources, and water quality protection programs implemented under this part are a public purpose and of paramount public concern in the interest of the health, safety, and general welfare of the citizens of this state.

324.5301 Definitions.

Sec. 5301. As used in this part:

(a) “Assistance” means 1 or more of the following activities to the extent authorized by the federal water pollution control act:

(i) Provision of loans to municipalities for construction of sewage treatment works projects, stormwater treatment projects, or nonpoint source projects.

(ii) Project refinancing assistance.

(iii) The guarantee or purchase of insurance for local obligations, if the guarantee or purchase action would improve credit market access or reduce interest rates.

(iv) Use of the proceeds of the fund as a source of revenue or security for the payment of principal and interest on revenue or general obligation bonds issued by this state, if the proceeds of the sale of the bonds will be deposited into the fund.

(v) Provision of loan guarantees for similar revolving funds established by municipalities.

(vi) The use of deposited funds to earn interest on fund accounts.

(vii) Provision for reasonable costs of administering and conducting activities under title VI of the federal water pollution control act, chapter 758, 101 Stat. 22, 33 U.S.C. 1381 to 1387.

(b) “Authority” means the Michigan municipal bond authority created in the shared credit rating act, 1985 PA 227, MCL 141.1051 to 141.1076.

(c) “Capitalization grant” means the federal grant made to this state by the United States environmental protection agency for the purpose of establishing a state water pollution control revolving fund, as provided in title VI of the federal water pollution control act, chapter 758, 101 Stat. 22, 33 U.S.C. 1381 to 1387.

(d) “Construction activities” means any actions undertaken in the designing or building of sewage treatment works projects, stormwater treatment projects, or nonpoint source projects. Construction activities include, but are not limited to, all of the following:

(i) Engineering services.

(ii) Legal services.

(iii) Financial services.

(iv) Design of plans and specifications.

(v) Acquisition of land or structural components, or both.

(vi) Building, erection, alteration, remodeling, or extension of a sewage treatment works.

(vii) Building, erection, alteration, remodeling, or extension of projects designed to control nonpoint source pollution, consistent with section 319 of title III of the federal water pollution control act, chapter 758, 101 Stat. 52, 33 U.S.C. 1329.

(viii) Building, erection, alteration, or remodeling of a stormwater treatment project.

(ix) Municipal supervision of the project activities described in subparagraphs (i) to (viii).

(e) “Federal water pollution control act” means chapter 758, 86 Stat. 816, 33 U.S.C. 1251 to 1252, 1253 to 1254, 1255 to 1257, 1258 to 1263, 1265 to 1270, 1273 to 1274, 1281, 1282 to 1293, 1294 to 1301, 1311 to 1313, 1314 to 1326, 1328 to 1330, 1341 to 1346, 1361 to 1375, 1376 to 1377, and 1381 to 1387.

(f) “Fund” means the state water pollution control revolving fund created in the shared credit rating act, 1985 PA 227, MCL 141.1051 to 141.1076, established pursuant to title VI of the federal water pollution control act.

(g) “Fundable range” means those projects, taken in descending order on the priority lists, for which sufficient funds are estimated by the department to exist to provide assistance at the beginning of each annual funding cycle.

(h) “Municipality” means a city, village, county, township, authority, or other public body, including an intermunicipal agency of 2 or more municipalities, authorized or created under state law; or an Indian tribe that has jurisdiction over construction and operation of sewage treatment works or other projects qualifying under section 319 of title III of the federal water pollution control act, chapter 758, 101 Stat. 52, 33 U.S.C. 1329.

(i) “Nonpoint source project” means construction activities designed to reduce nonpoint source pollution consistent with the state nonpoint source management plan pursuant to section 319 of title III of the federal water pollution control act, chapter 758, 101 Stat. 52, 33 U.S.C. 1329.

(j) “Priority list” means the annual ranked listing of projects developed by the department in section 5303 or used by the department pursuant to section 5315.

(k) “Project” means a sewage treatment works project, a stormwater treatment project, or a nonpoint source project, or a combination of these.

(l) “Project refinancing assistance” means buying or refinancing the debt obligations of municipalities within the state if construction activities commenced after March 7, 1985 and the debt obligation was incurred after March 7, 1985.

(m) “Sewage treatment works project” means construction activities on any device or system for the treatment, storage, collection, conveyance, recycling, or reclamation of the sewage of a municipality, including combined sewer overflow correction and major rehabilitation of sewers.

(n) “Stormwater treatment project” means construction activities of a municipality on any device or system for the treatment, storage, recycling, or reclamation of storm water that is conveyed by a storm sewer that is separate from a sanitary sewer.

(o) “Tier I project” means a project for which assistance is sought or provided from funds made directly available from the federal capitalization grant or from the Great Lakes water quality bond fund pursuant to section 19708(1)(a).

(p) “Tier II project” means a project for which assistance is sought or provided from funds other than those made directly available from the federal capitalization grant or from the Great Lakes water quality bond fund pursuant to section 19708(1)(a).

324.5304 Assistance; requirements.

Sec. 5304. Subject to sections 5309 and 5310, assistance provided to municipalities to construct sewage treatment works projects, stormwater projects, and nonpoint source projects shall be in accordance with all of the following:

(a) Assistance for approved sewage treatment works projects and stormwater treatment projects shall be provided for projects in the fundable range of the priority list developed pursuant to 5303, and to other projects that may become fundable pursuant to section 5310.

(b) Assistance for approved qualified nonpoint source projects shall be provided for projects in the fundable range of the priority list developed pursuant to section 5303. The director shall annually allocate at least 2% of the available funds to the extent needed to provide assistance to projects on the nonpoint source priority list. If these funds are not awarded, the allocation shall revert to provide assistance to projects on the sewage treatment works priority list.

PART 197 GREAT LAKES WATER QUALITY BOND IMPLEMENTATION

324.19701 Definitions.

Sec. 19701. As used in this part:

(a) “Bonds” means the bonds authorized under the Great Lakes water quality bond authorization act.

(b) “Department” means the department of environmental quality.

(c) “Fund” means the Great Lakes water quality bond fund created in section 19706.

324.19702 Legislative findings.

Sec. 19702. The legislature finds and declares that the environmental, natural resources, and water quality protection programs implemented under this part are a public purpose

and of paramount public concern in the interest of the health, safety, and general welfare of the citizens of this state.

324.19703 Bonds generally.

Sec. 19703. (1) Subject to subsection (2), the bonds 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 both, to bear interest at a rate or rates, to be subject or not subject to prior redemption, and if subject to prior redemption with or without call premiums, to be payable at a place or places, to have or not have provisions for registration as to principal only or as to both principal and interest, to be in a form and to be executed in a manner as shall be determined by resolution to be adopted by the state administrative board and subject to or granting those covenants, directions, restrictions, or rights specified by resolution to be adopted by the state administrative board as necessary to ensure the marketability, insurability, or tax exempt status of the bonds. The state administrative board shall rotate the services of legal counsel when issuing bonds.

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

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

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

- (a) Sell and deliver and receive payment for the bonds.
- (b) Deliver bonds partly to refund bonds and partly for other authorized purposes.
- (c) Select which outstanding bonds will be refunded, if any, by the new issue of bonds.
- (d) Buy issued bonds.

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

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

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

(h) Pledge all or any portion of the strategic water quality initiatives fund created in section 5204 to secure bonds issued or to be issued by the Michigan municipal bond authority created in section 4 of the shared credit rating act, 1985 PA 227, MCL 141.1054, for the purpose of funding loans under the strategic water quality initiatives loan program under part 52.

(5) The bonds shall not be subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821. Issuance of the bonds shall be subject to the agency financing reporting act.

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

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

324.19704 Bonds as negotiable.

Sec. 19704. The bonds shall be fully negotiable under the uniform commercial code, 1962 PA 174, MCL 440.1101 to 440.1102. The bonds and the interest on the bonds shall be exempt from all taxation by the state or any political subdivision of the state.

324.19705 Bonds as securities.

Sec. 19705. The bonds are securities in which banks, savings and loan associations, state authorities, investment companies, credit unions, and other persons carrying on a banking business; all insurance companies, insurance associations, and other persons carrying on an insurance business; and all administrators, executors, guardians, trustees, and other fiduciaries may properly and legally invest funds, including capital, belonging to them or within their control.

324.19706 Great Lakes water quality bond fund; creation; subaccounts.

Sec. 19706. (1) The Great Lakes water quality bond fund is created in the state treasury.

(2) The fund shall consist of all of the following:

(a) The proceeds of sales of the bonds sold at public or private sale and any premium and accrued interest received on the delivery of the bonds.

(b) Any interest or earnings generated by the proceeds described in subdivision (a).

(c) Any federal or other funds received.

(3) The department of treasury may establish restricted subaccounts within the fund as necessary to administer the fund.

324.19707 Bond proceeds; disposition; investment; expenditure; tax exempt status; funds remaining at close of fiscal year; annual accounting.

Sec. 19707. (1) The total proceeds of all bonds sold at public or private sale shall be deposited into the fund.

(2) The state treasurer shall direct the investment of the fund.

(3) The bond proceeds shall be expended in an appropriate manner that maintains the tax exempt status of any bonds issued as tax exempt bonds.

(4) The unencumbered balance in the fund at the close of the fiscal year shall remain in the fund and shall not lapse to the general fund.

(5) The department shall provide an annual accounting of bond proceeds spending on a cash basis to the department of treasury. This accounting shall be submitted to the governor, the standing committees of the house of representatives and the senate that primarily address issues pertaining to the protection of natural resources and the environment, and the appropriations committees in the house of representatives and the senate.

324.19708 Funds; transfer; use.

Sec. 19708. (1) Subject to subsections (2) and (3), the state treasurer shall transfer money in the fund as follows:

(a) Ninety percent of the money in the fund shall be deposited into the state water pollution control revolving fund created in section 16a of the shared credit rating act, 1985 PA 227, MCL 141.1066a.

(b) Ten percent of the money in the fund shall be deposited into the strategic water quality initiatives fund created in section 5204.

(2) Money in the fund may be used by the department of treasury to pay for the cost of issuing bonds and the costs incurred under section 19703(3).

(3) Money from the fund shall not be used as the state match for receipt of federal funds for purposes of the state water pollution control revolving fund created in section 16a of the shared credit rating act, 1985 PA 227, MCL 141.1066a, at 2002 state match levels. However, if federal revenues become available at higher levels than were provided in 2002, money from the fund may be used to match federal revenues in excess of 2002 levels.

Conditional effective date.

Enacting section 1. This amendatory act does not take effect unless all of the following bills of the 91st Legislature are enacted into law:

(a) House Bill No. 4625.

(b) House Bill No. 5893.

Conditional effective date.

Enacting section 2. This amendatory act does not take effect unless the question provided for in the Great Lakes water quality bond authorization act is approved by a majority of the registered electors voting on the question at the November 2002 general election.

This act is ordered to take immediate effect.

Approved May 29, 2002.

Filed with Secretary of State May 30, 2002.

Compiler's note: House Bill No. 4625, referred to in enacting section 1, was filed with the Secretary of State May 30, 2002, and became P.A. 2002, No. 396, Imd. Eff. May 30, 2002.

House Bill No. 5893, also referred to in enacting section 1, was filed with the Secretary of State May 30, 2002, and became P.A. 2002, No. 398, Eff. November 5, 2002.

[No. 398]**(HB 5893)**

AN ACT to amend 1994 PA 451, entitled “An act to protect the environment and natural resources of the state; to codify, revise, consolidate, and classify laws relating to the environment and natural resources of the state; to regulate the discharge of certain substances into the environment; to regulate the use of certain lands, waters, and other natural resources of the state; to prescribe the powers and duties of certain state and local agencies and officials; to provide for certain charges, fees, and assessments; to provide certain appropriations; to prescribe penalties and provide remedies; to repeal certain parts of this act on a specific date; and to repeal certain acts and parts of acts,” by amending section 5303 (MCL 324.5303), as amended by 2001 PA 221.

The People of the State of Michigan enact:

324.5303 Cooperative regional or intermunicipal projects; project plan for tier I or tier II project; documentation; notice; public comment; development of priority list; submission of priority list to legislature; effective date of priority list; other actions not limited; “on-site septic system” defined.

Sec. 5303. (1) Municipalities shall consider and utilize, where possible, cooperative regional or intermunicipal projects in satisfying sewerage needs in the development of project plans.

(2) A municipality may submit a project plan for use by the department in developing a priority list.

(3) The project plan for a tier I project shall include documentation that demonstrates that the project is needed to assure maintenance of, or to progress toward, compliance with the federal water pollution control act or part 31, and to meet the minimum requirements of the national environmental policy act of 1969, Public Law 91-190, 42 U.S.C. 4321, 4331 to 4335, and 4341 to 4347. The documentation shall demonstrate all of the following:

(a) The need for the project.

(b) That feasible alternatives to the project were evaluated taking into consideration volume reduction opportunities and the demographic, topographic, hydrologic, and institutional characteristics of the area.

(c) That the project is cost effective and implementable from a legal, institutional, financial, and management standpoint.

(d) Other information as required by the department.

(4) The project plan for a tier II project shall include documentation that demonstrates that the project is or was needed to assure maintenance of or progress towards compliance with the federal water pollution control act or part 31, and is consistent with all applicable state environmental laws. The documentation shall include all of the following information:

(a) Information to demonstrate the need for the project.

(b) A showing that the cost of the project is or was justified, taking into account available alternatives. Those costs determined by the department to be in excess of those costs justified will not be eligible for assistance under this part.

(5) After notice and an opportunity for public comment, the department shall annually develop separate priority lists for sewage treatment works projects and stormwater treatment projects, for nonpoint source projects, and for projects funded under the

strategic water quality initiatives fund created in section 5204. Projects not funded during the time that a priority list developed under this section is in effect shall be automatically prioritized on the next annual list using the same criteria, unless the municipality submits an amendment to its plan that introduces new information to be used as the basis for prioritization. These priority lists shall be based upon project plans submitted by municipalities, and the following criteria:

(a) That a project complies with all applicable standards in part 31 and the federal water pollution control act.

(b) An application for a segment of a project that received funds under the title II construction grant program or title VI state revolving loan funds of the federal water pollution control act or the strategic water quality initiatives fund created in section 5204 shall be first priority on its respective priority list for funding for a period of not more than 3 years after funds were first committed under those programs.

(c) If the project is a sewage treatment works project or a stormwater treatment project, all of the following criteria:

(i) The severity of the water pollution problem to be addressed, maximizing progress towards restoring beneficial uses and meeting water quality standards.

(ii) A determination of whether a project is or was necessary to comply with an order, permit, or other document with an enforceable schedule for addressing a municipality's sewage-related water pollution problems that was issued by the department or entered as part of an action brought by the state against the municipality or any component of the municipality. A municipality may voluntarily agree to an order, permit, or other document with an enforceable schedule as described in this subparagraph.

(iii) The population to be served by the project. However, the criterion provided in this subparagraph shall not be applied to projects funded by the strategic water quality initiatives fund created in section 5204.

(iv) The dilution ratio existing between the discharge volume and the receiving stream.

(d) If the project is a sewage treatment works project, 100 priority points shall be awarded pursuant to R 323.958 of the Michigan administrative code for each of the following that apply to the project:

(i) The project addresses on-site septic systems that are adversely affecting the water quality of a water body or represent a threat to public health, provided that soil and hydrologic conditions are not suitable for the replacement of those on-site septic systems.

(ii) The project includes the construction of facilities for the acceptance or treatment of septage collected from on-site septic systems.

(e) Rankings for nonpoint source projects shall be consistent with the state nonpoint source management plan developed pursuant to section 319 of title III of the federal water pollution control act, chapter 758, 101 Stat. 52, 33 U.S.C. 1329.

(f) Any other criteria established by the department by rule.

(6) The priority list shall be submitted annually to the chair of the senate and house of representatives standing committees that primarily consider legislation pertaining to the protection of natural resources and the environment.

(7) For purposes of providing assistance, the priority list shall take effect on the first day of each fiscal year.

(8) This section does not limit other actions undertaken to enforce part 31, the federal water pollution control act, or any other act.

(9) As used in this section, “on-site septic system” means that term as defined in section 5201.

Conditional effective date.

Enacting section 1. This amendatory act does not take effect unless all of the following bills of the 91st Legislature are enacted into law:

- (a) House Bill No. 4625.
- (b) House Bill No. 5892.

Conditional effective date.

Enacting section 2. This amendatory act does not take effect unless the question provided for in the Great Lakes water quality bond authorization act is approved by a majority of the registered electors voting on the question at the November 2002 general election.

This act is ordered to take immediate effect.

Approved May 29, 2002.

Filed with Secretary of State May 30, 2002.

Compiler's note: House Bill No. 4625, referred to in enacting section 1, was filed with the Secretary of State May 30, 2002, and became P.A. 2002, No. 396, Imd. Eff. May 30, 2002.

House Bill No. 5892, also referred to in enacting section 1, was filed with the Secretary of State May 30, 2002, and became P.A. 2002, No. 397, Eff. November 5, 2002.

[No. 399]

(HB 5237)

AN ACT to amend 1954 PA 116, entitled “An act to reorganize, consolidate, and add to the election laws; to provide for election officials and prescribe their powers and duties; to prescribe the powers and duties of certain state departments, state agencies, and state and local officials and employees; to provide for the nomination and election of candidates for public office; to provide for the resignation, removal, and recall of certain public officers; to provide for the filling of vacancies in public office; to provide for and regulate primaries and elections; to provide for the purity of elections; to guard against the abuse of the elective franchise; to define violations of this act; to provide appropriations; to prescribe penalties and provide remedies; and to repeal certain acts and all other acts inconsistent with this act,” by amending section 685 (MCL 168.685), as amended by 1990 PA 329.

The People of the State of Michigan enact:

168.685 Printing name of candidate of new political party on ballot; certificate; petition to form new political party; disqualification and requalification of party; party subject to § 168.686a; prohibited conduct.

Sec. 685. (1) The name of a candidate of a new political party shall not be printed upon the official ballots of an election unless the chairperson and secretary of the state central committee of the party files with the secretary of state, not later than 4 p.m. of the one hundred-tenth day before the general November election, a certificate signed by the chairperson and secretary of the state central committee bearing the name of the party, together with petitions bearing the signatures of registered and qualified electors equal

to not less than 1% of the total number of votes cast for all candidates for governor at the last election in which a governor was elected. The petitions shall be signed by at least 100 registered electors in each of at least 1/2 of the congressional districts of the state. All signatures on the petitions shall be obtained not more than 180 days immediately before the date of filing.

(2) After the date on which a petition is filed, the secretary of state shall not accept additional petition sheets for that petition. The validity and authenticity of the signatures may be determined in the same manner as provided for initiatory and referendary petitions in section 9 of article II of the state constitution of 1963. An official declaration of the sufficiency or insufficiency of a petition filed under this section shall be made by the board of state canvassers not later than 60 days before the general November election.

(3) The petitions shall be in substantially the following form:

PETITION TO FORM NEW POLITICAL PARTY

We, the undersigned, duly registered electors of the city, township of
(strike one)

..... county of state of Michigan,
residing at the places set opposite our names, respectfully request the secretary of state, in accordance with section 685 of the Michigan election law, 1954 PA 116, MCL 168.685, to receive the certificate and vignette accompanying this petition, and place the names of the candidates of the party on the ballot at the election.

Warning: A person who knowingly signs petitions to organize more than 1 new state political party, signs a petition to organize a new state political party more than once, or signs a name other than his or her own is violating the provisions of the Michigan election law.

.....
.....
.....

(4) The balance of the petition form shall be substantially as set forth in section 544c. The size of all organizing petitions shall be 8-1/2 inches by 13 inches and shall be printed in the following type sizes: The words “petition to form new political party” and the name of the proposed political party shall be in 24-point boldface type; the word “warning” and the language contained in the warning shall be in 12-point boldface type.

(5) Petitions circulated under this section may be circulated on a countywide basis. A petition that is circulated countywide shall be on a form prescribed by the secretary of state.

(6) If the principal candidate of a political party receives a vote equal to less than 1% of the total number of votes cast for the successful candidate for the office of secretary of state at the last preceding general November election in which a secretary of state was elected, that political party shall not have the name of any candidate printed on the ballots at the next ensuing general November election, and a column shall not be provided on the ballots for that party. A disqualified party may again qualify and have the names of its candidates printed in a separate party column on each election ballot in the manner set forth in subsection (1) for the qualification of new parties. The term “principal candidate” of a political party means the candidate who receives the greatest number of votes of all candidates of that political party for that election.

(7) A political party that complied with this section is subject to section 686a in order to have the name of that party, its vignette, and its candidates appear on the general election ballot.

(8) A person shall not knowingly sign a petition to organize more than 1 new state political party, sign a petition to organize a new state political party more than once, or sign a name other than his or her own on the petition.

This act is ordered to take immediate effect.

Approved May 29, 2002.

Filed with Secretary of State May 30, 2002.

[No. 400]

(HB 5454)

AN ACT to amend 1964 PA 170, entitled “An act to make uniform the liability of municipal corporations, political subdivisions, and the state, its agencies and departments, officers, employees, and volunteers thereof, and members of certain boards, councils, and task forces when engaged in the exercise or discharge of a governmental function, for injuries to property and persons; to define and limit this liability; to define and limit the liability of the state when engaged in a proprietary function; to authorize the purchase of liability insurance to protect against loss arising out of this liability; to provide for defending certain claims made against public officers and paying damages sought or awarded against them; to provide for the legal defense of public officers and employees; to provide for reimbursement of public officers and employees for certain legal expenses; and to repeal certain acts and parts of acts,” by amending the title and sections 8 and 9 (MCL 691.1408 and 691.1409), the title as amended by 1986 PA 175.

The People of the State of Michigan enact:

TITLE

An act to make uniform the liability of municipal corporations, political subdivisions, and the state, its agencies and departments, officers, employees, and volunteers thereof, and members of certain boards, councils, and task forces when engaged in the exercise or discharge of a governmental function, for injuries to property and persons; to define and limit this liability; to define and limit the liability of the state when engaged in a proprietary function; to authorize the purchase of liability insurance to protect against loss arising out of this liability; to provide for defending certain claims made against public officers, employees, and volunteers and for paying damages sought or awarded against them; to provide for the legal defense of public officers, employees, and volunteers; to provide for reimbursement of public officers and employees for certain legal expenses; and to repeal acts and parts of acts.

691.1408 Claim or civil action against officer or employee of governmental agency for injuries caused by negligence; services of attorney; payment of claim; judgment for damages; indemnification; payment or settlement of judgment; criminal action against officer or employee of governmental agency; services of attorney; reim-

Reimbursement for legal expenses; liability on governmental agency not imposed.

Sec. 8. (1) Whenever a claim is made or a civil action is commenced against an officer, employee, or volunteer of a governmental agency for injuries to persons or property caused by negligence of the officer, employee, or volunteer while in the course of employment with or actions on behalf of the governmental agency and while acting within the scope of his or her authority, the governmental agency may pay for, engage, or furnish the services of an attorney to advise the officer, employee, or volunteer as to the claim and to appear for and represent the officer, employee, or volunteer in the action. The governmental agency may compromise, settle, and pay the claim before or after the commencement of a civil action. Whenever a judgment for damages is awarded against an officer, employee, or volunteer of a governmental agency as a result of a civil action for personal injuries or property damage caused by the officer, employee, or volunteer while in the course of employment and while acting within the scope of his or her authority, the governmental agency may indemnify the officer, employee, or volunteer or pay, settle, or compromise the judgment.

(2) When a criminal action is commenced against an officer or employee of a governmental agency based upon the conduct of the officer or employee in the course of employment, if the employee or officer had a reasonable basis for believing that he or she was acting within the scope of his or her authority at the time of the alleged conduct, the governmental agency may pay for, engage, or furnish the services of an attorney to advise the officer or employee as to the action, and to appear for and represent the officer or employee in the action. An officer or employee who has incurred legal expenses after December 31, 1975 for conduct prescribed in this subsection may obtain reimbursement for those expenses under this subsection.

(3) This section does not impose liability on a governmental agency.

691.1409 Liability insurance; waiver of defense.

Sec. 9. (1) A governmental agency may purchase liability insurance to indemnify and protect the governmental agency against loss or to protect the governmental agency and an agent, officer, employee, or volunteer of the governmental agency against loss on account of an adverse judgment arising from a claim for personal injury or property damage caused by the governmental agency or its agent, officer, employee, or volunteer. A governmental agency may pay premiums for the insurance authorized by this section out of current funds.

(2) The existence of an insurance policy indemnifying a governmental agency against liability for damages is not a waiver of a defense otherwise available to the governmental agency in the defense of the claim.

This act is ordered to take immediate effect.

Approved May 29, 2002.

Filed with Secretary of State May 30, 2002.

[No. 401]

(SB 1096)

AN ACT to amend 1937 PA 10, entitled "An act to define the use of travel aids by blind persons; to provide protection against accidents to such persons; to require instruction

and examination in certain circumstances; and to provide penalties for violation hereof,” by amending sections 1a and 2 (MCL 752.51a and 752.52), section 1a as added and section 2 as amended by 1986 PA 62.

The People of the State of Michigan enact:

752.51a Definitions.

Sec. 1a. As used in this act:

(a) “Blind” means a person who has a visual acuity of 20/200 or less in the better eye with correction, or has limitation of his or her field of vision such that the widest diameter of the visual field subtends an angular distance not greater than 20 degrees.

(b) “Cane” means an aid used by a blind pedestrian for travel and identification purposes that is white in color with or without a red tip.

(c) “Crosswalk” means that term as defined in section 10 of the Michigan vehicle code, 1949 PA 300, MCL 257.10.

(d) “Dog guide” means a dog, in harness, that has been formally trained and that is used by a blind person as a travel aid.

(e) “Walker” means an aid used by a blind pedestrian for travel and identification purposes that is white in color or has white legs with or without a red tip.

752.52 Blind pedestrian carrying cane or using dog guide or walker; duty of driver; liability; failure to carry cane or use dog guide or walker; investigation of alleged violation; review of investigative report; informing blind pedestrian of decision.

Sec. 2. (1) A driver of a vehicle shall not approach a crosswalk or any other pedestrian crossing without taking all necessary precautions to avoid accident or injury to a blind pedestrian carrying a cane or using a dog guide or walker.

(2) A driver who approaches a crosswalk or any other pedestrian crossing without taking all necessary precautions to avoid accident or injury to a blind pedestrian carrying a cane or using a dog guide or walker is liable in damages for any injuries caused the blind pedestrian. A blind pedestrian who does not carry a cane or use a dog guide or walker has all of the rights and privileges conferred upon any other pedestrian by the laws of this state. The failure of a blind pedestrian to carry a cane or use a dog guide or walker shall not be treated as evidence of negligence in a civil action for injury to the blind pedestrian or for the blind pedestrian’s wrongful death.

(3) If a person alleges to a peace officer a violation of subsection (1), the peace officer shall investigate the alleged violation. The prosecuting attorney shall review the peace officer’s investigative report to determine whether a violation of subsection (1) has occurred and whether to issue charges. Upon the request of the blind pedestrian and after reviewing the investigative report, a prosecuting attorney shall inform the blind pedestrian of his or her decision and the reason or reasons supporting that decision.

This act is ordered to take immediate effect.

Approved June 3, 2002.

Filed with Secretary of State June 3, 2002.

[No. 402]**(SB 517)**

AN ACT to amend 1978 PA 368, entitled “An act to protect and promote the public health; to codify, revise, consolidate, classify, and add to the laws relating to public health; to provide for the prevention and control of diseases and disabilities; to provide for the classification, administration, regulation, financing, and maintenance of personal, environmental, and other health services and activities; to create or continue, and prescribe the powers and duties of, departments, boards, commissions, councils, committees, task forces, and other agencies; to prescribe the powers and duties of governmental entities and officials; to regulate occupations, facilities, and agencies affecting the public health; to regulate health maintenance organizations and certain third party administrators and insurers; to provide for the imposition of a regulatory fee; to promote the efficient and economical delivery of health care services, to provide for the appropriate utilization of health care facilities and services, and to provide for the closure of hospitals or consolidation of hospitals or services; to provide for the collection and use of data and information; to provide for the transfer of property; to provide certain immunity from liability; to regulate and prohibit the sale and offering for sale of drug paraphernalia under certain circumstances; to provide for the implementation of federal law; to provide for penalties and remedies; to provide for sanctions for violations of this act and local ordinances; to repeal certain acts and parts of acts; to repeal certain parts of this act; and to repeal certain parts of this act on specific dates,” by amending section 16221 (MCL 333.16221), as amended by 2000 PA 29.

The People of the State of Michigan enact:

333.16221 Investigation of licensee, registrant, or applicant for licensure or registration; hearings, oaths, and testimony; report; grounds for proceeding under § 333.16226.

Sec. 16221. The department may investigate activities related to the practice of a health profession by a licensee, a registrant, or an applicant for licensure or registration. The department may hold hearings, administer oaths, and order relevant testimony to be taken and shall report its findings to the appropriate disciplinary subcommittee. The disciplinary subcommittee shall proceed under section 16226 if it finds that 1 or more of the following grounds exist:

(a) A violation of general duty, consisting of negligence or failure to exercise due care, including negligent delegation to or supervision of employees or other individuals, whether or not injury results, or any conduct, practice, or condition that impairs, or may impair, the ability to safely and skillfully practice the health profession.

(b) Personal disqualifications, consisting of 1 or more of the following:

(i) Incompetence.

(ii) Subject to sections 16165 to 16170a, substance abuse as defined in section 6107.

(iii) Mental or physical inability reasonably related to and adversely affecting the licensee’s ability to practice in a safe and competent manner.

(iv) Declaration of mental incompetence by a court of competent jurisdiction.

(v) Conviction of a misdemeanor punishable by imprisonment for a maximum term of 2 years; a misdemeanor involving the illegal delivery, possession, or use of a controlled substance; or a felony. A certified copy of the court record is conclusive evidence of the conviction.

(vi) Lack of good moral character.

(vii) Conviction of a criminal offense under sections 520a to 520l of the Michigan penal code, 1931 PA 328, MCL 750.520a to 750.520l. A certified copy of the court record is conclusive evidence of the conviction.

(viii) Conviction of a violation of section 492a of the Michigan penal code, 1931 PA 328, MCL 750.492a. A certified copy of the court record is conclusive evidence of the conviction.

(ix) Conviction of a misdemeanor or felony involving fraud in obtaining or attempting to obtain fees related to the practice of a health profession. A certified copy of the court record is conclusive evidence of the conviction.

(x) Final adverse administrative action by a licensure, registration, disciplinary, or certification board involving the holder of, or an applicant for, a license or registration regulated by another state or a territory of the United States, by the United States military, by the federal government, or by another country. A certified copy of the record of the board is conclusive evidence of the final action.

(xi) Conviction of a misdemeanor that is reasonably related to or that adversely affects the licensee's ability to practice in a safe and competent manner. A certified copy of the court record is conclusive evidence of the conviction.

(c) Prohibited acts, consisting of 1 or more of the following:

(i) Fraud or deceit in obtaining or renewing a license or registration.

(ii) Permitting the license or registration to be used by an unauthorized person.

(iii) Practice outside the scope of a license.

(iv) Obtaining, possessing, or attempting to obtain or possess a controlled substance as defined in section 7104 or a drug as defined in section 7105 without lawful authority; or selling, prescribing, giving away, or administering drugs for other than lawful diagnostic or therapeutic purposes.

(d) Unethical business practices, consisting of 1 or more of the following:

(i) False or misleading advertising.

(ii) Dividing fees for referral of patients or accepting kickbacks on medical or surgical services, appliances, or medications purchased by or in behalf of patients.

(iii) Fraud or deceit in obtaining or attempting to obtain third party reimbursement.

(e) Unprofessional conduct, consisting of 1 or more of the following:

(i) Misrepresentation to a consumer or patient or in obtaining or attempting to obtain third party reimbursement in the course of professional practice.

(ii) Betrayal of a professional confidence.

(iii) Promotion for personal gain of an unnecessary drug, device, treatment, procedure, or service.

(iv) Either of the following:

(A) A requirement by a licensee other than a physician that an individual purchase or secure a drug, device, treatment, procedure, or service from another person, place, facility, or business in which the licensee has a financial interest.

(B) A referral by a physician for a designated health service that violates section 1877 of part D of title XVIII of the social security act, 42 U.S.C. 1395nn, or a regulation promulgated under that section. Section 1877 of part D of title XVIII of the social security act, 42 U.S.C. 1395nn, and the regulations promulgated under that section, as they exist on the effective date of the amendatory act that added this sentence, are incorporated by

reference for purposes of this subparagraph. A disciplinary subcommittee shall apply section 1877 of part D of title XVIII of the social security act, 42 U.S.C. 1395nn, and the regulations promulgated under that section regardless of the source of payment for the designated health service referred and rendered. If section 1877 of part D of title XVIII of the social security act, 42 U.S.C. 1395nn, or a regulation promulgated under that section is revised after the effective date of the amendatory act that added this sentence, the department shall officially take notice of the revision. Within 30 days after taking notice of the revision, the department shall decide whether or not the revision pertains to referral by physicians for designated health services and continues to protect the public from inappropriate referrals by physicians. If the department decides that the revision does both of those things, the department may promulgate rules to incorporate the revision by reference. If the department does promulgate rules to incorporate the revision by reference, the department shall not make any changes to the revision. As used in this subparagraph, “designated health service” means that term as defined in section 1877 of part D of title XVIII of the social security act, 42 U.S.C. 1395nn, and the regulations promulgated under that section and “physician” means that term as defined in sections 17001 and 17501.

(v) For a physician who makes referrals pursuant to section 1877 of part D of title XVIII of the social security act, 42 U.S.C. 1395nn, or a regulation promulgated under that section, refusing to accept a reasonable proportion of patients eligible for medicaid and refusing to accept payment from medicaid or medicare as payment in full for a treatment, procedure, or service for which the physician refers the individual and in which the physician has a financial interest. A physician who owns all or part of a facility in which he or she provides surgical services is not subject to this subparagraph if a referred surgical procedure he or she performs in the facility is not reimbursed at a minimum of the appropriate medicaid or medicare outpatient fee schedule, including the combined technical and professional components.

(f) Beginning 1 year after the effective date of this act, the department of consumer and industry services shall prepare the first of 3 annual reports on the effect of this amendatory act on access to care for the uninsured and medicaid patients. The department shall report on the number of referrals by licensees of uninsured and medicaid patients to purchase or secure a drug, device, treatment, procedure, or service from another person, place, facility, or business in which the licensee has a financial interest.

(g) Failure to report a change of name or mailing address within 30 days after the change occurs.

(h) A violation, or aiding or abetting in a violation, of this article or of a rule promulgated under this article.

(i) Failure to comply with a subpoena issued pursuant to this part, failure to respond to a complaint issued under this article or article 7, failure to appear at a compliance conference or an administrative hearing, or failure to report under section 16222 or 16223.

(j) Failure to pay an installment of an assessment levied pursuant to the insurance code of 1956, 1956 PA 218, MCL 500.100 to 500.8302, within 60 days after notice by the appropriate board.

(k) A violation of section 17013 or 17513.

(l) Failure to meet 1 or more of the requirements for licensure or registration under section 16174.

(m) A violation of section 17015 or 17515.

(n) A violation of section 17016 or 17516.

- (o) Failure to comply with section 9206(3).
- (p) A violation of section 5654 or 5655.
- (q) A violation of section 16274.
- (r) A violation of section 17020 or 17520.

This act is ordered to take immediate effect.
Approved June 3, 2002.
Filed with Secretary of State June 3, 2002.

[No. 403]

(SB 834)

AN ACT to amend 1994 PA 53, entitled “An act to authorize internally pooled investments by certain local governmental units,” by amending section 1 (MCL 123.931).

The People of the State of Michigan enact:

123.931 Investments; computerized pool; “local governmental unit” defined; authorization.

Sec. 1. (1) Notwithstanding the provisions of 1943 PA 20, MCL 129.91 to 129.96; the surplus funds investment pool act, 1982 PA 367, MCL 129.111 to 129.118; the local government investment pool act, 1985 PA 121, MCL 129.141 to 129.150; the revenue bond act of 1933, 1933 PA 94, MCL 141.101 to 141.140; the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821; or 1948 (1st Ex Sess) PA 31, MCL 123.951 to 123.965, a local governmental unit that maintains or intends to maintain various investments in or as part of a computerized pool and allocates or has allocated portions of the investments to various funds and accounts may continue to do so or may begin to do so if the fund has a written accounting issued at least monthly showing the status of money allocated to each fund and the principal amount of each investment. The interest on the investment may be transferred or expended through pooled concentrated checking accounts or by wire or other transfers. Investments of debt service funds, sinking funds, or other pledged funds relating to 1 or more issues of bonds, notes or other indebtedness of a local governmental unit, may be maintained in or as part of a computerized pool subject to the conditions described in this subsection, unless otherwise prohibited by law or contract, but a computerized pool for such funds shall be maintained separately from any computerized pool for other funds and accounts of the local governmental unit.

(2) As used in this section, “local governmental unit” means a county, city, village, township, drainage district, road commission, building authority, or other municipal or public corporation or authority, and any other governing body described in the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

(3) This act authorizes the holding and accounting of electronically pooled investments but is not intended to permit types or categories of investments not currently authorized by law or contract.

This act is ordered to take immediate effect.
Approved June 3, 2002.
Filed with Secretary of State June 3, 2002.

[No. 404]**(SB 840)**

AN ACT to amend 1971 PA 140, entitled “An act to provide for the distribution of certain state revenues to cities, villages, townships, and counties; to impose certain duties and confer certain powers on this state, political subdivisions of this state, and the officers of both; to create reserve funds; and to establish a revenue sharing task force and provide for its powers and duties,” by amending section 17a (MCL 141.917a), as amended by 1987 PA 283.

The People of the State of Michigan enact:

141.917a Withholding amount equivalent to delinquent payments due on emergency municipal loan; withholding payment under act; extent; plan for financing outstanding obligations upon which municipality defaulted; use of amounts withheld; payment of debt service on bonds or notes; agreement assigning or pledging payment; statement; withholding payment to satisfy payment due and owing to state.

Sec. 17a. (1) To the extent required by the emergency municipal loan act, 1980 PA 243, MCL 141.931 to 141.942, a municipality granted a loan pursuant to the emergency municipal loan act, 1980 PA 243, MCL 141.931 to 141.942, shall have withheld from any payment the city, village, township, or county is eligible to receive, an amount equivalent to any delinquent payments due on the loan.

(2) The state treasurer may withhold all or part of any payment that a city, village, township, or county is eligible to receive under this act to the extent the withholdings are a component part of a plan, developed and implemented under the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821, for financing an outstanding obligation upon which the municipality defaulted. Amounts withheld shall be used to pay, on behalf of the city, village, township, or county, unpaid amounts or subsequently due amounts, or both, of principal and interest on the outstanding obligation upon which the city, village, township, or county defaulted.

(3) The state treasurer may withhold all or part of any payment that a city or village is eligible to receive under this act, after payment of all money owing to the city or village under this act that, prior to the date of a withholding under this subsection, has been pledged for the payment of debt service on bonds or notes or for the payment of contractual obligations pledged for the payment of debt service on bonds or notes, in an amount necessary to repay loans made to the city or village under section 11(6) of 1951 PA 51, MCL 247.661, after any deduction authorized by section 11(8) of 1951 PA 51, MCL 247.661, has been applied for the repayment of the loan.

(4) Under an agreement entered into by a city, village, township, or county assigning all or a portion of the payment that it is eligible to receive under this act to the Michigan municipal bond authority or pledging that amount for payment of an obligation it incurred with the Michigan municipal bond authority, the state treasurer shall transmit to the Michigan municipal bond authority or a trustee designated by the authority the amount of the payment that is assigned or pledged under the agreement. Notwithstanding the payment dates prescribed by this act for distributions under this act, the state treasurer may advance all or part of a payment that is dedicated for distribution or for which the appropriation authorizing the payment has been made if and to the extent, under the terms of an agreement entered into by a city, village, township, or county and the

Michigan municipal bond authority, the payment that the city, village, township, or county is eligible to receive has been assigned to or pledged for payment of an obligation it incurred with the Michigan municipal bond authority. This subsection does not require the state to make an appropriation to any city, village, county, or township and shall not be construed as creating an indebtedness of the state. Any agreement made pursuant to this subsection shall contain a statement to that effect.

(5) The state treasurer shall withhold all or part of a payment that a city, village, township, or county is eligible to receive under this act to satisfy a payment due and owing to the state or to a state department or agency from the city, village, township, or county unless and to the extent subsection (4) requires otherwise or unless the city, village, township, or county has pledged payments under this act for payment on an obligation issued by the municipality.

This act is ordered to take immediate effect.

Approved June 3, 2002.

Filed with Secretary of State June 3, 2002.

[No. 405]

(SB 863)

AN ACT to amend 1980 PA 243, entitled “An act to provide emergency financial assistance for certain municipalities; to create a local emergency financial assistance loan board and to prescribe the powers and duties of this board; to prescribe conditions for granting and receiving loans, to prescribe terms and conditions for the repayment of loans, and to allow the limiting of repayment by a county from specified revenue sources; to impose certain requirements and duties on certain state departments, municipalities of this state, and officials of the state and municipalities of this state; and to prescribe remedies and penalties,” by amending section 4 (MCL 141.934), as amended by 1998 PA 528.

The People of the State of Michigan enact:

141.934 Application for loan; resolution; certification of information and conditions; inspection, copying, or auditing of books and records; applicability of subsection (1).

Sec. 4. (1) If the governing body of a municipality desires to request a loan, it shall provide by resolution for the submission of an application to the board for a loan made under this act. The municipality shall certify and substantiate all of the following information and conditions to be eligible for consideration for a loan authorization by the board:

(a) A deficit for the municipality’s general fund is projected for the current fiscal year.

(b) That 1 or both of the following have occurred within the 6 months immediately preceding the loan request:

(i) The municipality has issued tax anticipation notes or revenue sharing notes under the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

(ii) The department of treasury has acted upon a request by the municipality to issue tax anticipation notes or revenue sharing notes under the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

(c) The municipality meets 1 or more of the following conditions:

(i) Its income tax revenue growth rate is .90 or less.

(ii) Its local tax base growth rate is 75% or less of the statewide tax base growth rate.

(iii) The state equalized valuation of real and personal property within the municipality at the time the loan application is made is less than the state equalized valuation of real and personal property within the municipality in the immediately preceding year.

(d) The municipality submits a long-range plan, that has been approved by the governing body of the municipality, outlining actions to be taken to balance future expenditures with anticipated revenues.

(2) If the board determines it necessary, the board may inspect, copy, or audit the books and records of a municipality.

(3) Subsection (1) does not apply to a loan authorized under section 3(2) or (3).

This act is ordered to take immediate effect.

Approved June 3, 2002.

Filed with Secretary of State June 3, 2002.

[No. 406]

(SB 870)

AN ACT to amend 1956 PA 40, entitled “An act to codify the laws relating to the laying out of drainage districts, the consolidation of drainage districts, the construction and maintenance of drains, sewers, pumping equipment, bridges, culverts, fords, and the structures and mechanical devices to properly purify the flow of drains; to provide for flood control projects; to provide for water management, water management districts, and subdistricts, and for flood control and drainage projects within drainage districts; to provide for the assessment and collection of taxes; to provide for the investment of funds; to provide for the deposit of funds for future maintenance of drains; to authorize public corporations to impose taxes for the payment of assessments in anticipation of which bonds are issued; to provide for the issuance of bonds by drainage districts and for the pledge of the full faith and credit of counties for payment of the bonds; to authorize counties to impose taxes when necessary to pay principal and interest on bonds for which full faith and credit is pledged; to validate certain acts and bonds; and to prescribe penalties,” by amending sections 275, 278, 280, 434, 435, 479, and 531 (MCL 280.275, 280.278, 280.280, 280.434, 280.435, 280.479, and 280.531), section 280 as amended by 1983 PA 176 and section 434 as amended by 1980 PA 297.

The People of the State of Michigan enact:

280.275 Drainage district bonds; issuance, terms, sale, premium; sale subject to revised municipal finance act; limitation on payment from county general fund.

Sec. 275. In cases where the issuing of bonds shall have been determined upon, as provided in this act, and subject to the provisions of section 221 of this act, the commissioner may borrow money in anticipation of the collection of the installments and may issue as evidence thereof the bonds of the drainage district as defined in this act. The obligations shall specify on their face that they are payable out of the installments of drain taxes to

be collected, and the amount shall not exceed the aggregate of the installments levied. Bonds issued under this act shall be signed by the commissioner on behalf of the drainage district, shall be countersigned by the county clerk and shall be payable in annual installments equal in number to the installments of taxes, shall mature not earlier than March first and not later than June first of the year following the due dates of the respective installments of taxes. The number of installments shall not exceed 20: Provided, however, That in any drainage district containing a closed drain, any part of whose cross-section has an area exceeding 60 square feet, the number of installments may be, but shall not exceed, 30, and the amount of each installment shall be fixed to correspond as near as may be to the drain commissioner's estimate of the amount of taxes actually collectible each year, and in no case shall bonds mature more than 2 1/2 years after the corresponding installment of taxes. The commissioner shall pledge in the bond the credit of the drainage district, including the lands embraced within the district and the townships, cities, villages, counties, and state trunk line highways assessed at large, in the proportion that they are taxed for the benefits received. The bonds shall be sold subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821. If any premium is received on the bonds, the premium shall belong to the fund of the drain. The proceeds derived from the sale of the bonds shall be deposited with the county treasurer to the credit of the drain fund. The county treasurer shall safely keep all the bonds until sold as above provided: Provided, however, That this act shall not be considered to affect any bonds or refunding bonds issued prior to the effective date of this act or any refunding bonds issued to replace the same: Provided further, That no county shall advance or pay out of its general funds any moneys for or on account of principal or interest of any drain bonds issued before the effective date of former Act No. 331 of the Public Acts of 1927, or any refunding bonds issued to replace the same.

280.278 Interest on installments of drain taxes; payment of interest; disposition and use of installments and interest; bank deposits; interest on bonds or notes.

Sec. 278. If bonds or notes are issued and sold by the commissioner, installments of the drain taxes shall bear interest not to exceed a rate which is not greater than 1% per annum more than the average rate of interest on the bonds or notes from the date of the preparation of the assessment roll until due. The bonds or notes may provide, if the commissioner so determines, for the payment of interest semiannually. The installments and the interest shall, as collected, be paid into the county treasury and placed to the credit of the fund of the drain, to be used solely for the payment of bonds or notes as they mature. Money collected in anticipation of the maturity of the bonds or notes shall be deposited by the county treasurer in a bank or banks to be designated by the board of commissioners of the county and the interest received shall belong to the fund. Bonds or notes issued and sold by the commissioner shall bear interest at not to exceed the rate specified in the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

280.280 Additional assessments; levy; purposes; surplus; exemption of certain lands from deficiency assessments.

Sec. 280. (1) If there is not sufficient money in the fund in a particular drain at the time of the maturity of the bonds last to mature, or any drain orders, to pay all outstanding bonds or drain orders with interest, or to reimburse the county for money which it has been obliged to advance pursuant to section 275, whether such insufficiency is due to the anticipation of installments as provided in section 279, or to failure to sell any lands for delinquent taxes, or to any other cause, it shall be the duty of the commissioner to at once levy an additional assessment as provided in this act provided in such an amount as will

make up the deficiency which shall be spread in not to exceed 7 annual installments; and if the commissioner determines that the entire amount, if spread in 1 year, would be an undue burden or create unnecessary hardship, he or she may order it spread over any number of years up to but not exceeding 7. If bonds or other evidences of indebtedness are issued pursuant to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821, to refund the outstanding indebtedness of a drain district, the governing body of such drain district shall provide, subject to the requirements of the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821, for such additional levies of assessments prior to the maturity of the refunding obligations as necessary to prevent default in payment of interest on the obligations, and the maintenance of a sinking fund for their retirement. Every officer charged with the determination of the amount of taxes to be raised, or the levying of the taxes, shall make or cause to be made the additional levies as provided. Any surplus remaining after the payment of the bonds and interest shall remain in the county treasury and be used for the maintenance of the drain.

(2) The additional assessments shall only apply to drain orders or bonds issued after March 28, 1956 and shall be apportioned, assessed, levied, and collected as provided in the first instance. As to deficiency assessments levied for drain orders or bonds issued after March 28, 1956, there shall be no lands exempted from the levy, except those which at the time of the additional assessments are owned or used as follows:

- (a) Lands owned by the United States.
- (b) Lands owned by the state of Michigan.
- (c) Lands owned by any county, city, village, township, or school district and used for public purposes.
- (d) Lands used exclusively for burial grounds.
- (e) Lands dedicated to the public and actually used as a highway or alley, and not used for gain.

(3) An additional assessment shall not be levied or collected for the purpose of paying the principal or interest upon any bonds or obligations which have heretofore been held to be invalid, and any such additional assessment shall not be apportioned, assessed, levied, or collected for the purpose of paying any bonds, interest, or obligations for the payment of which assessments have been made.

280.434 Drain project; construction or studies; borrowing money or accepting advances; reimbursement; contract or note as evidence of obligation; full faith and credit; source of payments; applicability of section.

Sec. 434. (1) A drainage district may borrow money or accept the advance of work, material, or money from a public or private corporation, partnership, association, individual, or the federal government or any agency of the federal government for the payment of, or in connection with the construction of, any part of a drain project or for financing a feasibility, practicability, environmental assessment, or impact study of a drain project which may include the payment for easement or land acquisition or engineering and legal fees, or an engineering, environment impact, or assessment study, and be reimbursed by the drainage district, with or without interest as may be agreed, when funds are available. The obligation of the drainage district to make the repayment or reimbursement may be evidenced by a contract or note, which contract or note may pledge the full faith and credit of the drainage district and may be made payable out of the drain assessments made against public corporations at large, or against lands in the drainage district, or out of the proceeds of drain orders, notes, or bonds issued by the drainage district pursuant

to this act or out of any other available funds, and the contract or note shall not be subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821, unless the principal amount of the obligation shall exceed \$300,000.00. However, if the principal amount of the obligation is \$300,000.00 or less, then the issuance of the obligation under this section is subject to the agency financing reporting act.

(2) However, any projects in which advances or loans made by any public corporation, the federal government, or any agency of the federal government shall not be limited by this section. This section shall apply to a drain or other project instituted pursuant to any section in this act including a feasibility, practicability, environmental assessment, or impact study.

(3) A county board of commissioners by a majority vote of 2/3 of its members may pledge the full faith and credit of a county for the payment of a note of the drainage district.

280.435 Financing of flood control or drainage projects; contract or agreement with federal government; payments and purposes; determination of necessity; notes or bonds; issuance subject to revised municipal finance act.

Sec. 435. (1) The drain commissioner or drainage board may contract or make agreements with the federal government, or any agency of the federal government, for the financing of a flood control or drainage project or combination of these including the conservation and utilization of soil and water for recreation and other beneficial purposes.

(2) A contract or agreement may include an advance payment of funds from the federal government or any agency of the federal government for financing a feasibility, practicability, environmental assessment, or impact study of a drain or flood control project, or any combination of these including the conservation and utilization of soil and water for recreation and other beneficial purposes. The contract or agreement may include the payment for easements, rights of way, land acquisition, engineering services, legal fees, and any fees or costs for environmental impact statements or assessments studies for the projects.

(3) After the necessity of a project is determined and the first order of determination is filed, the drain commissioner or drainage board may issue notes of indebtedness to the federal government, or any agency of the federal government, to evidence a preliminary advance and may pay those notes from drain assessments made against public corporations at large and against lands in the drainage district, out of the proceeds of drain orders or bonds issued by the drain commissioner or drainage board under this act or out of any other available funds. Bonds of the drainage district issued for the project may be substituted for notes including the interest on the notes. The bonds may be repaid by special assessments in any number of annual installments not exceeding 30.

(4) The drain commissioner or drainage board shall not be required to offer for public sale any notes issued under a contract with the federal government, or any agency of the federal government, for the financing of any project as set forth in this section.

(5) The notes issued in evidence of advance payments are not subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

(6) All notes or bonds issued under this section shall be considered to be obligations of the drainage district, and the drain commissioner or drainage board may pledge the full faith and credit of the drainage district for the repayment of the notes or bonds.

280.479 Advancements by corporations; reimbursement.

Sec. 479. Any public or private corporation, firm, or individual may advance money for the payment of any part of the cost of a project under this act, in which event it shall be reimbursed by the drainage district, with or without interest as may be agreed, when funds are available. The obligation of the drainage district to make the reimbursement may be evidenced by a contract or note, which contract or note may pledge the full faith and credit of the drainage district and may be made payable out of the assessments made against public corporations or out of the proceeds of drain orders or bonds issued by the drainage district pursuant to this act or out of any other available funds, but the contract or note is not subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

280.531 Advances by corporations; reimbursement.

Sec. 531. Any public or private corporation, firm, or individual may advance money for the payment of any part of the cost of a project under this act, in which event it shall be reimbursed by the drainage district, with or without interest as may be agreed, when funds are available. The obligation of the drainage district to make the reimbursement may be evidenced by a contract or note, which contract or note may pledge the full faith and credit of the drainage district and may be made payable out of the assessments made against public corporations or out of the proceeds of drain orders or bonds issued by the drainage district pursuant to this act or out of any other available funds, but the contract or note is not subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

This act is ordered to take immediate effect.

Approved June 3, 2002.

Filed with Secretary of State June 3, 2002.

[No. 407]

(SB 977)

AN ACT to amend 1957 PA 185, entitled "An act to authorize the establishing of a department and board of public works in counties; to prescribe the powers and duties of any municipality subject to the provisions of this act; to authorize the incurring of contract obligations and the issuance and payment of bonds or notes; to provide for a pledge by a municipality of its full faith and credit and the levy of taxes without limitation as to rate or amount to the extent necessary; to validate obligations issued; and to prescribe a procedure for special assessments and condemnation," by amending sections 11, 12, and 25 (MCL 123.741, 123.742, and 123.755).

The People of the State of Michigan enact:

123.741 Methods of financing systems or improvements.

Sec. 11. (1) The acquirement of a water supply, sewage disposal or refuse system, or the making of lake improvements or erosion control systems, or the improvement, enlargement, or extension of any of these may be financed by 1 or more of the following methods:

(a) By the issuance of revenue bonds under the revenue bond act of 1933, 1933 PA 94, MCL 141.101 to 141.140, or any other applicable act.

(b) By the issuance of bonds in anticipation of payments to become due under contracts where 1 or more municipalities agree to pay to the county operating under this act certain sums toward the cost of the acquisition, improvement, enlargement, or extension of a project that may be made under this act.

(c) By the issuance of bonds in anticipation of the payment of special assessments made by the board of public works.

(d) By money advanced by a county operating under this act under agreements with a municipality or municipalities for the repayment of the money.

(e) By money advanced, from time to time, before or during construction of a project by a public corporation, in which event the county operating under this act shall reimburse the corporation, with interest not to exceed 8% per annum or without interest as may be agreed, when funds are available for that purpose. The obligation of the county to make the reimbursement may be evidenced by a contract or note, the contract or note may be made payable out of the payments to be made by municipalities, under contracts as described in section 12 or 15, or out of the proceeds of bonds issued under this act by the county or out of any other available funds. The contract or note is not subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

(2) Bonds issued under this act shall be authorized by an ordinance or a resolution approved by the board of public works and adopted by the county board of commissioners of the county operating under this act. The county board of commissioners is authorized by a 3/5 vote of its members elect, to pledge the full faith and credit of the county for the prompt payment of the principal of and interest on any bonds issued pursuant to this act. The county's full faith and credit may be pledged to the payment of principal and interest on revenue bonds issued under subsection (1)(a). If it becomes necessary for the county operating under this act to advance any money, other than its share of the cost of the project, for the payment of principal and interest, then it shall be entitled to reimbursement from any surplus from time to time existing in the fund from which the principal and interest are primarily payable. If the faith and credit of the county is pledged for the payment of principal of and interest on any bonds issued under this act, the county may, in the case of insufficiency of funds primarily pledged for the payment, pay the funds from its general fund or levy taxes without limitation as to rate or amount in addition to any other taxes that the county is authorized to levy but not in excess of the rate or amount necessary to make up the deficiency. The bonds shall be issued in the name of the county and shall be executed by the chairperson of the county board of commissioners and its county clerk, who shall also cause their facsimile signatures to be affixed to the interest coupons to be attached to the bonds. The county clerk shall also affix to the bonds the seal of the county. Bonds issued under this act are negotiable instruments and shall be serial bonds payable annually, with the first maturity due not more than 5 years and the last maturity not more than 40 years from the date of issue. This subsection shall apply to special assessment bonds as well as other bonds. Annual maturity payable after 5 years from the date of the bonds shall not be less than 1/4 of the amount of any subsequent maturity on the same series of bonds. The bonds shall bear interest at not more than the maximum rate permitted by the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821, payable semiannually except that the first coupon may be for any number of months not exceeding 10. The bonds and coupons shall be made payable in lawful money of the United States of America and shall be exempt from all taxation by this state or by any taxing authority within this state. The county board of commissioners may authorize the board of public works to sell the bonds in accordance with the laws of this state.

123.742 Contracts authorized; methods of paying contractual obligations; special assessments; exercise of powers; validation of contracts.

Sec. 12. (1) A county operating under this act and any 1 or more municipalities including the county itself may enter into a contract or contracts for the acquisition, improvement, enlargement, or extension of a water supply, a sewage disposal, or a refuse system,

or the making of lake improvements or erosion control systems and for the payment of the costs by the contracting municipalities, with interest, over a period not exceeding 40 years.

(2) In the contract, each contracting municipality may pledge its full faith and credit for the payment of its obligations under the contract. If the municipality has taxing power, it may each year levy a tax in an amount that will be sufficient for the prompt payment of all or part of the contract obligations due before the following year's tax collection. If the contract or an unlimited tax pledge in support of the contract has been approved by the electors, the tax may be in addition to any tax that the municipality may otherwise be authorized to levy and may be imposed without limitation as to rate or amount but shall not be in excess of the rate or amount necessary to pay the contract obligation. The contract is not subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821. For the payment of contractual obligations incurred under this act, a township shall levy a tax only on the taxable property in the unincorporated areas of the township unless the township and a village have agreed that a part of the capacity in the county system allocated to the township by contract pursuant to this act will be used to serve areas in a village located wholly or partly within the township and the village has not itself agreed to purchase the capacity in the county system. If a contracting municipality at the time of its annual tax levy has on hand in cash any amount pledged to the payment of the current obligations for which the tax levy is to be made, then the annual tax levy may be reduced by that amount. For the purpose of obtaining the credit, funds may be raised by a municipality by using 1 or more of the following methods:

(a) By service charges to users of the system or lake improvements.

(b) By special assessment upon lands benefited.

(c) By the exaction of charges for the connection of properties, directly or indirectly, to the system or for the availability of the system to serve properties, directly or indirectly, or at a present or future time.

(d) By setting aside any state collected funds disbursed to the municipality and usable therefor.

(e) By setting aside any other available money.

(3) For the purpose of obtaining the credit, municipalities contracting for the acquisition, improvement, enlargement, or extension of an erosion control system shall levy special assessments upon all lands benefited to cover not less than 3/4 of the total project cost contracted for by the local unit. A municipality may agree to raise all or any part of its contract obligation by any of the methods provided in this section that are available. The powers in this act granted to any municipality shall be exercised by its governing body. A contract entered into before May 12, 1959, which complies with this act, is validated.

123.755 Special assessments; annual installments; interest on unpaid installments; spreading installments on tax rolls; advance payment; issuance of bonds subject to revised municipal finance act.

Sec. 25. (1) The board of public works may provide that the assessments made on any roll shall be payable in 1 or more annual installments, not exceeding 30. The board may vary the principal amount of each installment but an installment shall not be less than 1/4 of the amount of a subsequent installment. Annual installments need not be extended upon the special assessment roll until after confirmation.

(2) All unpaid installments shall bear interest from the date fixed by the board of public works, payable annually, at a rate to be set by the board at the time the special assessment is established, which shall not exceed any of the following:

(a) If bonds are not issued, 8% per annum.

(b) If bonds are issued, the maximum rate permitted to be charged under the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

(3) Installments of special assessments shall be spread as provided in this act, 1 each year, upon the tax rolls upon which county taxes are spread. The board of public works shall specify the first year of this spread, which shall not be later than the year following that in which the roll was confirmed. The board may provide the times and conditions upon which installments of special assessments may be paid in advance of their due dates.

(4) Bonds issued under this section are subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

This act is ordered to take immediate effect.

Approved June 3, 2002.

Filed with Secretary of State June 3, 2002.

[No. 408]

(SB 1064)

AN ACT to amend 1990 PA 72, entitled “An act to provide for review, management, planning, and control of the financial operation of units of local government, including school districts; to provide criteria to be used in determining the financial condition of a local government; to permit a declaration of the existence of a local government financial emergency and to prescribe the powers and duties of the governor, other state boards, agencies, and officials, and officials and employees of units of local government; to provide for a review and appeal process; to provide for the appointment and to prescribe the powers and duties of an emergency financial manager; to require the development of financial plans to regulate expenditures and investments by a local government in a state of financial emergency; to set forth the conditions for termination of a local government financial emergency; and to repeal certain acts and parts of acts,” by amending sections 12, 21, and 33 (MCL 141.1212, 141.1221, and 141.1233), section 33 as amended by 1992 PA 265.

The People of the State of Michigan enact:

141.1212 Preliminary review by state treasurer; conditions; notice; meeting with local government; informing governor of serious financial problem.

Sec. 12. (1) The state treasurer shall conduct a preliminary review to determine the existence of a local government financial problem if 1 or more of the following occur:

(a) The governing body or the chief administrative officer of a local government requests a preliminary review under this article. The request shall be in writing and shall identify the existing financial conditions that make the request necessary.

(b) The state treasurer receives a written request from a creditor with an undisputed claim that remains unpaid 6 months after its due date against the local government that exceeds the greater of \$10,000.00 or 1% of the annual general fund budget of the local government, provided that the creditor notifies the local government in writing at least 30 days before his or her request to the state treasurer of his or her intention to invoke this provision.

(c) The state treasurer receives a petition containing specific allegations of local government financial distress signed by a number of registered electors residing within the jurisdiction of the local government equal to not less than 10% of the total vote cast for all candidates for governor within the jurisdiction of the local government at the last preceding election at which a governor was elected. Petitions shall not be filed under this subdivision within 60 days before any election of the local government.

(d) The state treasurer receives written notification from the trustee, actuary, or at least 10% of the beneficiaries of a local government pension fund alleging that a local government has not timely deposited its minimum obligation payment to the local government pension fund as required by law.

(e) The state treasurer receives written notification that employees of the local government have not been paid and it has been at least 7 days after the scheduled date of payment.

(f) The state treasurer receives written notification from a trustee, paying agent, or bondholder of a default in a bond payment or a violation of 1 or more bond covenants.

(g) The state treasurer receives a resolution from either the senate or the house of representatives requesting a preliminary review under this section.

(h) The local government has violated the conditions of an order issued pursuant to, or of a requirement of, former 1943 PA 202, the revenue bond act of 1933, 1933 PA 94, MCL 141.101 to 141.140, the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821, or any other law governing the issuance of bonds or notes.

(i) The local government has violated the conditions of an order issued in the effectuation of the purposes of the emergency municipal loan act, 1980 PA 243, MCL 141.931 to 141.942, by the local emergency financial assistance loan board created by the emergency municipal loan act, 1980 PA 243, MCL 141.931 to 141.942.

(j) The local government has violated the requirements of sections 17 to 20 of the uniform budgeting and accounting act, 1968 PA 2, MCL 141.437 to 141.440, and the state treasurer has forwarded a report of this violation to the attorney general.

(k) The local government has failed to comply with the requirements of section 21 of the Glenn Steil state revenue sharing act of 1971, 1971 PA 140, MCL 141.921, for filing or instituting a deficit recovery plan.

(l) The local government fails to provide an annual financial report or audit that conforms with the minimum procedures and standards of the state treasurer and is required under the uniform budgeting and accounting act, 1968 PA 2, MCL 141.421 to 141.440a, or 1919 PA 71, MCL 21.41 to 21.55.

(m) The local government is delinquent in the distribution of tax revenues, as required by law, that it has collected for another taxing jurisdiction, and that taxing jurisdiction requests a preliminary review.

(n) A court has ordered an additional tax levy without the prior approval of the governing body of the local government.

(2) In conducting a preliminary review under this section, the state treasurer shall give the local government specific written notification of the review, and the state treasurer shall meet with the local government. At this meeting, the state treasurer shall receive, discuss, and consider information provided by the local government concerning the existence of and seriousness of financial conditions within the local government.

(3) When the state treasurer conducts a preliminary review under this section, he or she shall inform the governor within 30 days after beginning the preliminary review whether or not his or her investigation has determined that a serious financial problem

may exist because 1 or more conditions indicative of a serious financial problem exist within the local government.

141.1221 Additional actions by emergency financial manager.

Sec. 21. An emergency financial manager may take 1 or more of the following additional actions with respect to the local government in which a financial emergency has been determined to exist:

(a) Analyze factors and circumstances contributing to the financial condition of the local government and recommend steps to be taken to correct the condition.

(b) Amend, revise, approve, or disapprove the budget of the local government, and limit the total amount appropriated or expended during the balance of the financial emergency.

(c) Require and approve or disapprove, or amend or revise a plan for liquidating all outstanding debt of the local government.

(d) Require and prescribe the form of special reports to be made by the finance officer of the local government to its governing body, the creditors of the local government, the emergency financial manager, or the public.

(e) Examine all records and books of account, and require under the procedures of the uniform budgeting and accounting act, 1968 PA 2, MCL 141.421 to 141.440a, or 1919 PA 71, MCL 21.41 to 21.55, or both, the attendance of witnesses and the production of books, papers, contracts, and other documents relevant to an analysis of the financial condition of the local government.

(f) Make, approve, or disapprove any appropriation, contract, expenditure, or loan, the creation of any new position, or the filling of any vacancy in a permanent position by any appointing authority.

(g) Review payrolls or other claims against the local government before payment.

(h) Exercise all of the authority of the local government to renegotiate existing labor contracts and act as an agent of the unit in collective bargaining with employees or representatives and approve any contract or agreement.

(i) Unless prohibited by law or charter, to consolidate departments or transfer functions from 1 department to another and to appoint, supervise, and, at his or her discretion, remove heads of departments other than elected officials.

(j) Employ or contract for, at the expense of the local government and with the approval of the local emergency financial assistance loan board, auditors and other technical personnel considered necessary to implement this article.

(k) Require compliance with the orders of the emergency financial manager by court action if necessary.

(l) Except as restricted by charter or otherwise, sell or otherwise use the assets of the local government to meet past or current obligations, provided the use of assets for this purpose does not endanger public health, safety, or welfare.

(m) Apply for a loan from the state on behalf of the local government, subject to the conditions of the emergency municipal loan act, 1980 PA 243, MCL 141.931 to 141.942, in a sufficient amount to pay the expenses of the emergency financial manager and for other lawful purposes.

(n) Approve or disapprove of the issuance of obligations of the local government on behalf of the municipality, subject to the conditions of the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821, and the revenue bond act of 1933, 1933 PA 94, MCL 141.101 to 141.140.

- (o) Enter into agreements with other local governments for the provision of services.
- (p) Exercise the authority and responsibilities affecting the financial condition of the local government as provided in the following acts:
 - (i) The home rule city act, 1909 PA 279, MCL 117.1 to 117.38.
 - (ii) The fourth class city act, 1895 PA 215, MCL 81.1 to 113.20.
 - (iii) The charter township act, 1947 PA 359, MCL 42.1 to 42.34.
 - (iv) 1851 PA 156, MCL 46.1 to 46.32.
 - (v) 1966 PA 293, MCL 45.501 to 45.521.
 - (vi) The general law village act, 1895 PA 3, MCL 61.1 to 74.25.
 - (vii) The home rule village act, 1909 PA 278, MCL 78.1 to 78.28.

141.1233 Determination of serious financial problem; conditions; notice.

Sec. 33. (1) The superintendent of public instruction may determine that a school district has a serious financial problem if he or she finds that 1 or more of the following conditions exist:

(a) The school district ended the most recently completed school fiscal year with a deficit in 1 or more of its funds and the superintendent of public instruction has not approved a deficit elimination plan within 3 months after the district's deadline for submission of its annual financial statement.

(b) The school board of the school district adopts a resolution declaring that the school district is in a financial emergency.

(c) The superintendent of public instruction receives a petition containing specific allegations of school district financial distress signed by a number of registered electors residing within the school district equal to not less than 10% of the total vote cast for all candidates for governor within the school district at the last preceding election at which a governor was elected. Petitions shall not be filed under this subdivision within 60 days before any election of the school district.

(d) The superintendent of public instruction receives a written request, from a creditor of the school district with an undisputed claim against the school district, to find the school district has a serious financial problem. The superintendent of public instruction may honor this request only if the claim remains unpaid 6 months after its due date, the claim exceeds the greater of \$10,000.00 or 1% of the annual general fund budget of the school district, and the creditor notifies the school district in writing at least 30 days before he or she requests the superintendent of public instruction to find that the school district has a serious financial problem.

(e) The superintendent of public instruction receives written notification from a trustee, paying agent, note or bondholder, or the state treasurer of a violation of 1 or more of the school district's bond or note covenants.

(f) The superintendent of public instruction receives a resolution from either the senate or the house of representatives requesting a review under this section of the financial condition of the school district.

(g) The school district is in violation of the conditions of an order issued pursuant to, or as a requirement of, former 1943 PA 202, the revenue bond act of 1933, 1933 PA 94, MCL 141.101 to 141.140, the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821, or any other law governing the issuance of bonds or notes.

(h) The school district is in violation of the requirements of sections 17 to 20 of the uniform budgeting and accounting act, 1968 PA 2, MCL 141.437 to 141.440.

(i) The school district fails to provide an annual financial report or audit that conforms with the minimum procedures and standards of the state board and is required under the revised school code, 1976 PA 451, MCL 380.1 to 380.1852, and the state school aid act of 1979, 1979 PA 94, MCL 388.1601 to 388.1772.

(j) A court has ordered an additional tax levy without the prior approval of the school board of the school district.

(2) Upon determining that a school district has a serious financial problem, the superintendent of public instruction shall notify the governor and the state board of that determination and of the basis for and findings supporting the determination.

This act is ordered to take immediate effect.

Approved June 3, 2002.

Filed with Secretary of State June 3, 2002.

[No. 409]

(SB 1067)

AN ACT to amend 1971 PA 182, entitled “An act to permit a city or village owning and operating a public utility to borrow money for a term not to exceed 5 years for the purpose of purchasing, acquiring, constructing, improving, enlarging, extending or repairing the facilities of the public utility; to issue notes or other evidences of indebtedness therefor; to repay such borrowing from the revenues of the utility; to permit the pledging or assignment of bonds or other securities or evidences of debt held as investments for said public utility to secure such borrowings; and to provide other powers, rights and duties,” by amending sections 1 and 2 (MCL 460.461 and 460.462), section 2 as amended by 1983 PA 121.

The People of the State of Michigan enact:

460.461 Loans to cities or villages owning and operating public utilities; evidences of indebtedness; term of loan; security; indebtedness subject to revenue bond act.

Sec. 1. (1) A city or village owning and operating a public utility, without vote of its electors and upon approval of its legislative body, may borrow money and issue and sell its notes or other evidences of indebtedness in the form and on the terms it deems advisable for the purpose of purchasing equipment or fuel, or both, or of purchasing, acquiring, constructing, improving, enlarging, extending, or repairing the facilities of the public utility. Loans shall not be made or notes or other evidences of indebtedness issued for a term exceeding 5 years. Notes or other evidences of indebtedness relating to fuels or supplies shall not exceed a term of 18 months.

(2) Notes or other evidences of indebtedness issued under this act shall not be general obligations of the city or village but shall be secured by and payable from the unencumbered revenues of the utility and other pledges and assignments authorized in this act. The city or village may pledge or assign bonds or other securities or evidences of debt held by it as investments for the public utility as security for the loan and to guarantee its repayment.

(3) Notes or other evidences of indebtedness are subject to the revenue bond act of 1933, 1933 PA 94, MCL 141.101 to 141.140.

460.462 Home rule city act inapplicable.

Sec. 2. Section 5(g) of the home rule city act, 1909 PA 279, MCL 117.5, relative to notice of intention to issue an obligation, does not apply to any borrowing under this act.

This act is ordered to take immediate effect.

Approved June 3, 2002.

Filed with Secretary of State June 3, 2002.

[No. 410]

(SB 1073)

AN ACT to amend 1929 PA 312, entitled “An act to provide for the incorporation by any 2 or more cities, villages, or townships, or any combination or parts thereof, of a metropolitan district comprising territory within their limits for the purpose of acquiring, owning, and operating parks or public utilities for supplying sewage disposal, drainage, water, or transportation, or any combination thereof; to provide that a district may sell or purchase sewage disposal, drainage rights, water, or transportation facilities; to provide that a district may acquire and succeed to the rights, obligations, and property of such cities, villages, and townships respecting or connected with such functions or public utilities but subject to the approval of a majority of the electors voting thereon; to limit the rate of taxation of a district for its municipal purposes and restrict its powers of borrowing money and contracting debts; to provide the method and vote by which charters may be framed, adopted, and amended and laws and ordinances relating to its municipal concerns may be enacted; to define the powers, rights, and liabilities of a district; to provide for the dissolution of a district; and to prescribe penalties and provide remedies,” by amending sections 4 and 5 (MCL 119.4 and 119.5).

The People of the State of Michigan enact:

119.4 Permissive charter provisions.

Sec. 4. Each district incorporated under the provisions of this act may provide in its charter for 1 or more of the following:

(a) For annually levying and collecting taxes in a sum not to exceed 1/2 of 1% of the assessed value of all real and personal property in the district.

(b) For borrowing money on the credit of the district in a sum not to exceed 2% of the assessed value of all real and personal property in the district for the purpose of acquiring, owning, purchasing, constructing, maintaining, or operating parks or public utilities, for supplying sewage disposal, drainage, water, or transportation, or any combination of these. A district may borrow money and issue bonds for any of the purposes described in this subdivision that will impose no liability upon the district but may be paid and secured only by special assessment levied against each parcel for the particular public improvement and for the payment of the bonds that are issued. A district incorporated under the provisions of this act, may, for the purpose of acquiring, owning, purchasing, constructing, or operating any public utility described in this subdivision, issue mortgage bonds that

may be issued beyond the general limit of bonded indebtedness prescribed by this act. A mortgage bond issued beyond the general limits of bonded indebtedness shall not impose any liability upon the district but shall be secured only upon the property and revenues of the public utility, including the franchise, stating the terms upon which, in case of foreclosure, the purchaser may operate the public utility, which franchise shall in no case extend for a longer period than 20 years from the date of the sale of the utility and franchise on foreclosure. A mortgage bond shall be sold for not less than par, bear interest at a rate not in excess of 6%, and the total amount shall not exceed 60% of the original cost of the utility. The charter of any district shall provide for the creation of a sinking fund by setting aside a percentage of the gross or net earnings of the public utility as may be deemed sufficient for the payment of the mortgage bonds at maturity.

(c) For a lien on any property and for taxes for the payment of any bonds issued or for the cost and expense of making any improvement described in this section.

(d) For laying and collecting rents, tolls and excises.

(e) For a special assessment district to provide for the cost and expense of any park or public utility, or combination of a park and public utility, as provided in this section.

(f) For the purchase or condemnation of the franchises, if any exist, and of the property used in the operation of companies or individuals engaged in or operating public utilities for supplying sewage disposal, drainage, water, or transportation, or any combination of these. Each district may in its charter provide that it may make a contract upon the terms, including terms of present or deferred payment and upon the conditions and in the manner as the district may consider proper, to purchase, operate, and maintain any existing public utility property for supplying sewage disposal, drainage, water, or transportation, or any combination of these within or without its limits. If without its limits, the purchase must be incidental to the operation and maintenance of the public utility. A contract shall not bind the district unless the proposition on the contract shall receive the affirmative vote of $\frac{3}{5}$ of the electors voting on the proposition at a regular or special election. In the event of any such purchase, the charter amendment and the contract to purchase shall provide for the creation of a sinking fund, into which shall be paid from time to time, from the earnings of the utility, sums sufficient to insure the payment of the purchase price and the performance of the obligations of the contract to the end that the entire cost of the public utility shall eventually be paid from its earnings. The powers in this subdivision are in addition to the other powers provided for in this act, and the exercise of these powers shall not impair or affect the right to exercise any other powers.

(g) For the purchase, gift, or condemnation of private property for any public use or purpose provided for and within the scope of its power. If by condemnation, the provisions of 1911 PA 149, MCL 213.21 to 213.25, or other appropriate provisions may be adopted and used for the purpose of instituting and prosecuting condemnation proceedings.

(h) For the initiative and referendum on all matters within the scope of its powers and for the recall of all its officials.

(i) For altering, amending, or repealing any charter affecting the district.

(j) For the enforcement of all local, police, sanitary, and other regulations as are not in conflict with the general laws of this state.

(k) For a system of civil service.

(l) For the exercise of all district powers in the management and control of district property and in the administration of metropolitan district government, whether the powers are expressly enumerated or not. For any act to advance the interest of the district and the good government and prosperity of the district and to pass all laws and ordinances relating to its concerns subject to the constitution and general laws of this

state. The power to acquire a rapid transit system is expressly conferred by this act, which may consist of a tunnel, subway, surface, or elevated system, or any combination of these. A rapid transit system shall be considered to be transportation within the meaning of this act and the provisions relating to other public utilities shall also apply.

(m) A revenue bond issued under this act is subject to the revenue bond act of 1933, 1933 PA 94, MCL 141.101 to 141.140. All bonds issued under this act, other than revenue bonds, are subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

119.5 Powers; restrictions.

Sec. 5. A district shall not do any of the following:

(a) Change the salary or emoluments of any public official after his or her election or appointment or during his or her term of office. The term of any public official shall not be shortened or extended beyond the period for which he or she was elected or appointed, unless he or she resigns or is removed for cause if the office is held for a fixed term.

(b) Adopt a charter or any amendment to a charter unless approved by a majority of the electors of each city, village, or township, voting on the charter or amendment.

(c) Sell any public utility unless approved by a majority vote of the electors of each city, village, or township voting on the proposition.

(d) Make any contract with, or give any official position to, anyone who is in default to the district or city, village, or township comprising the district.

(e) To repudiate any debt by any change in its charter or by consolidation with any other municipality.

This act is ordered to take immediate effect.

Approved June 3, 2002.

Filed with Secretary of State June 3, 2002.

[No. 411]

(SB 1076)

AN ACT to amend 1989 PA 292, entitled “An act to authorize certain local governmental units to create certain councils under certain circumstances; to prescribe the powers and duties of councils established under this act; and to authorize certain councils established under this act to levy a property tax,” by amending section 19 (MCL 124.669), as amended by 1998 PA 373.

The People of the State of Michigan enact:

124.669 Regulation of land and water; public improvements and services; operation; establishment of divisions, bureaus, and committees; expenses; data collection and storage; feasibility studies; applicability of other laws.

Sec. 19. (1) The articles may authorize a metropolitan area council to propose standards, criteria, and suggested model ordinances to regulate the use and development of land and water within the council area.

(2) To the extent authorized in the articles, a metropolitan area council may plan, promote, finance, issue bonds for, acquire, improve, enlarge, extend, own, construct, replace, or contract for public improvements and services including, but not limited to, the following:

- (a) Water and sewer public improvements and services.
- (b) Solid waste collection, recycling, and disposal.
- (c) Parks, museums, zoos, wildlife sanctuaries, and recreational facilities.
- (d) Special use facilities.
- (e) Ground and air transportation and facilities, including airports.
- (f) Economic development and planning for the metropolitan area council area.
- (g) Higher education public improvements and services.
- (h) Community foundations as that term is defined in section 261 of the income tax act of 1967, 1967 PA 281, MCL 206.261.

(3) A council established under this act shall not contract for the operation by another person of a public improvement or service acquired by the council pursuant to this act.

(4) A metropolitan area council may establish divisions, bureaus, and committees, including advisory committees. Members of advisory committees shall serve without compensation but may be reimbursed for their reasonable expenses as determined by the council.

(5) A metropolitan area council in cooperation with other agencies and departments of the state and the state universities may develop a center for data collection and storage to be used by the council and other governmental users and may furnish information on subjects such as population, land use, and governmental finances.

(6) A metropolitan area council may study the feasibility of programs relating but not limited to water supply, refuse disposal, surface water drainage, communication, transportation, and other subjects of concern to the participating local governmental units and may institute demonstration projects in connection with the studies.

(7) Revenue bonds issued under this act are subject to the revenue bond act of 1933, 1933 PA 94, MCL 141.101 to 141.140.

(8) Bonds, other than revenue bonds described in subsection (7), issued under this act are subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

This act is ordered to take immediate effect.

Approved June 3, 2002.

Filed with Secretary of State June 3, 2002.

[No. 412]

(SB 1078)

AN ACT to amend 1978 PA 639, entitled "An act to authorize the establishing of port authorities in cities and counties; to prescribe the powers and duties of port authorities, cities, and counties; to authorize the incurrence of contract obligations and the issuance and payment of bonds or other evidences of indebtedness; to provide for a pledge by a city or county of its full faith and credit for the payment of contract obligations entered into under this act and the levy of taxes without limitation as to rate or amount to the extent necessary; to validate obligations issued; to provide for the adoption of a port facilities plan; to provide for the financing of the operating budget of port authorities; to prescribe penalties and provide remedies; and to repeal acts and parts of acts," by amending sections 14 and 18 (MCL 120.114 and 120.118), as amended by 1983 PA 23.

The People of the State of Michigan enact:

120.114 Revenue bonds; applicability of revenue bond act; revenue bonds payable solely from revenues or income.

Sec. 14. (1) An authority may provide by resolution for the issuance of revenue bonds of the authority for the purpose of providing funds for paying the cost of port facilities, or for paying the cost of an extension, enlargement, or improvement of a project then under the control of the authority. The bonds issued under this section shall mature at a time or times, not exceeding 40 years after their date of issuance, as the authority may provide.

(2) Revenue bonds issued under this section are subject to the revenue bond act of 1933, 1933 PA 94, MCL 141.101 to 141.140.

(3) Revenue bonds issued pursuant to this section shall not be considered to constitute a debt of this state, a political subdivision of this state, the authority, or any constituent unit, or a pledge of the faith and credit of this state or a political subdivision of this state or of the authority or any constituent unit, but shall be payable solely from the revenues or income to be derived from the projects. The revenue bonds shall contain on their face a statement to the effect that the bonds and attached coupons are payable solely from revenues and are not a general obligation of this state, a political subdivision of this state, the authority, or a constituent unit, and neither the faith and credit nor the taxing power of this state, a political subdivision of this state, the authority, or a constituent unit, is pledged to the payment of the principal of or the interest on the bonds.

120.118 Additional bonds for acquisition of port facilities; authorization; resolution; issuance and execution of bonds; seal; negotiable instruments; maturities; payment; tax exemption; issuance of bonds or notes subject to revised municipal finance act.

Sec. 18. (1) In addition to the bonds authorized in section 14, bonds may be issued for the purpose of acquiring port facilities, as follows:

(a) By the issuance of bonds in anticipation of payments to become due under contracts by which 1 or more constituent units agree to pay to an authority operating under this act certain sums toward the cost of the acquisition, improvement, enlargement, or extension of a project that may be made under this act. Contracts are not subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

(b) By money advanced by an authority operating under this act under agreements with a constituent unit or other municipality for the repayment of the money.

(c) By money advanced, from time to time, before or during construction of a project, by a public corporation, for which an authority operating under this act shall reimburse the corporation with interest not to exceed 8% per annum or without interest as may be agreed, when funds are available for reimbursement. The obligation of an authority to make the reimbursement may be evidenced by a contract or note, which contract or note may be made payable out of the payments to be made by constituent units under contracts made pursuant to subdivision (b), or out of the proceeds of bonds issued pursuant to this act by the county or out of any other available funds.

(2) Bonds issued under this section shall be authorized by a resolution adopted by the authority. The bonds shall be issued in the name of the authority and shall be executed by the chairperson and secretary-treasurer of the authority, who shall also cause their facsimile signatures to be affixed to the interest coupons to be attached to the bonds. The authority shall adopt a seal that shall be affixed to the bonds. Bonds issued under this section shall be negotiable instruments and shall mature not more than 40 years after the date of issuance.

The bonds and coupons shall be made payable in lawful money of the United States and shall be exempt from all taxation whatsoever by this state or by any taxing authority within this state.

(3) Bonds or notes issued under this section are subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

This act is ordered to take immediate effect.

Approved June 3, 2002.

Filed with Secretary of State June 3, 2002.

[No. 413]

(SB 1079)

AN ACT to amend 1996 PA 381, entitled “An act to authorize municipalities to create a brownfield redevelopment authority to facilitate the implementation of brownfield plans relating to the designation and treatment of brownfield redevelopment zones; to promote the revitalization of environmentally distressed areas; to prescribe the powers and duties of brownfield redevelopment authorities; to permit the issuance of bonds and other evidences of indebtedness by an authority; to authorize the acquisition and disposal of certain property; to authorize certain funds; to prescribe certain powers and duties of certain state officers and agencies; and to authorize and permit the use of certain tax increment financing,” by amending sections 7, 12, and 17 (MCL 125.2657, 125.2662, and 125.2667), section 7 as amended by 2000 PA 145.

The People of the State of Michigan enact:

125.2657 Powers of authority; determining captured taxable value; transfer of municipality funds to authority.

Sec. 7. (1) An authority may do 1 or more of the following:

(a) Adopt, amend, and repeal bylaws for the regulation of its affairs and the conduct of its business.

(b) Incur and expend funds to pay or reimburse a public or private person for costs of eligible activities attributable to an eligible property.

(c) As approved by the municipality, incur costs and expend funds from the local site remediation revolving fund created under section 8 for purposes authorized in that section.

(d) Make and enter into contracts necessary or incidental to the exercise of its powers and the performance of its duties, including, but not limited to, lease purchase agreements, land contracts, installment sales agreements, and loan agreements.

(e) On terms and conditions and in a manner and for consideration the authority considers proper or for no monetary consideration, own, mortgage, convey, or otherwise dispose of, or lease as lessor or lessee, land and other property, real or personal, or rights or interests in the property, that the authority determines are reasonably necessary to achieve the purposes of this act, and grant or acquire licenses, easements, and options with respect to the property.

(f) Acquire, maintain, repair, or operate all devices necessary to ensure continued eligible activities on eligible property.

(g) Accept grants and donations of property, labor, or other things of value from a public or private source.

(h) Incur costs in connection with the performance of its authorized functions, including, but not limited to, administrative costs and architect, engineer, legal, or accounting fees.

(i) Study, develop, and prepare the reports or plans the authority considers necessary to assist it in the exercise of its powers under this act and to monitor and evaluate the progress under this act.

(j) Procure insurance against loss in connection with the authority's property, assets, or activities.

(k) Invest the money of the authority at the authority's discretion in obligations determined proper by the authority, and name and use depositories for its money.

(l) Make loans, participate in the making of loans, undertake commitments to make loans and mortgages, buy and sell loans and mortgages at public or private sale, rewrite loans and mortgages, discharge loans and mortgages, foreclose on a mortgage, commence an action to protect or enforce a right conferred upon the authority by a law, mortgage, loan, contract, or other agreement, bid for and purchase property that was the subject of the mortgage at a foreclosure or other sale, acquire and take possession of the property and in that event compute, administer, pay the principal and interest on obligations incurred in connection with that property, and dispose of and otherwise deal with the property, in a manner necessary or desirable to protect the interests of the authority.

(m) Borrow money and issue its bonds and notes under the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821, in anticipation of collection of tax increment revenues.

(n) Do all other things necessary or convenient to achieve the objectives and purposes of the authority, this act, or other laws that relate to the purposes and responsibilities of the authority.

(2) The authority shall determine the captured taxable value of each parcel of eligible property. The captured taxable value of a parcel shall not be less than zero.

(3) A municipality may transfer the funds of the municipality to an authority or to another person on behalf of the authority in anticipation of repayment by the authority.

125.2662 Bonds and notes of authority.

Sec. 12. (1) The authority may borrow money and issue its negotiable revenue bonds or notes to finance all or part of the costs of eligible activities or of another activity of the authority under this act. Revenue bonds and notes issued under this section are subject to the revenue bond act of 1933, 1933 PA 94, MCL 141.101 to 141.140. The costs that may be financed by the issuance of revenue bonds or notes may include the costs of purchasing, acquiring, constructing, improving, enlarging, extending, or repairing property in connection with an activity authorized under this act; engineering, architectural, legal, accounting, or financial expenses; the costs necessary or incidental to the borrowing of money; interest on the bonds or notes during the period of construction; a reserve for payment of principal and interest on the bonds or notes; and a reserve for operation and maintenance until sufficient revenues have developed. The authority may secure the bonds and notes by mortgage, assignment, or pledge of the property and all money, revenues, or income received in connection with the property.

(2) A pledge made by the authority shall be valid and binding from the time the pledge is made. The money or property pledged by the authority immediately shall be subject to the lien of the pledge without a physical delivery, filing, or further act. The lien of a pledge

shall be valid and binding as against parties having claims in tort, contract, or otherwise against the authority, irrespective of whether the parties have notice of the lien. Filing of the resolution, the trust agreement, or another instrument by which a pledge is created is not required.

(3) Bonds or notes issued under this section shall be exempt from all taxation in this state except estate and transfer taxes, and the interest on the bonds or notes shall be exempt from all taxation in this state, notwithstanding that the interest may be subject to federal income tax.

(4) Unless otherwise provided by a majority vote of the members of its governing body, the municipality shall not be liable on bonds or notes of the authority issued under this section and the bonds or notes shall not be a debt of the municipality.

(5) The bonds and notes of the authority may be invested in by the state treasurer and all other public officers, state agencies and political subdivisions, insurance companies, banks, savings and loan associations, investment companies, and fiduciaries and trustees, and may be deposited with and received by the state treasurer and all other public officers and the agencies and political subdivisions of this state for all purposes for which the deposit of bonds or notes is authorized. The authority granted by this section is supplemental and in addition to all other authority granted by law.

125.2667 Authorization, issuance, and sale of tax increment bonds and notes.

Sec. 17. (1) By resolution of its board, the authority may authorize, issue, and sell its tax increment bonds and notes, subject to the limitations set forth in this section, to finance the purposes of a brownfield plan. The bonds or notes shall be payable in the manner and upon the terms and conditions determined, or within the parameters specified, by the authority in the resolution authorizing issuance of the bonds or notes. The resolution authorizing the bonds shall create a lien on the tax increment revenues and other revenues pledged by the resolution that shall be a statutory lien and shall be a first lien subject only to liens previously created. The resolution may provide the terms upon which additional bonds or notes may be issued of equal standing and parity of lien as to the tax increment revenues and other revenues pledged under the resolution.

(2) The municipality, by majority vote of the members of its governing body, may make a limited tax pledge to support the authority's tax increment bonds or notes or, if authorized by the voters of the municipality, may pledge its unlimited tax full faith and credit for the payment of the principal of and interest on the authority's tax increment bonds or notes.

(3) The bonds or notes issued under this section shall be secured by 1 or more sources of revenue identified in section 7 as sources of financing of activities of the authority, as provided by resolution of the authority.

(4) The bonds and notes of the authority may be invested in by the state treasurer and all other public officers, state agencies and political subdivisions, insurance companies, banks, savings and loan associations, investment companies, and fiduciaries and trustees, and may be deposited with and received by the state treasurer and all other public officers and the agencies and political subdivisions of this state for 1 or more of the purposes for which the deposit of bonds or notes is authorized. The authority granted by this section is supplemental and in addition to all other authority granted by law.

(5) The bonds and notes issued under this section are subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821, except section 503 of the revised municipal finance act, 2001 PA 34, MCL 141.2503.

(6) For bonds issued under this act, the first principal amount maturity date or mandatory redemption date shall be not later than 5 years after the date of issuance and some principal amount shall mature or be subject to mandatory redemption in each subsequent year of the term of the bond.

This act is ordered to take immediate effect.

Approved June 3, 2002.

Filed with Secretary of State June 3, 2002.

[No. 414]

(SB 1080)

AN ACT to amend 1987 PA 204, entitled “An act to provide for matters pertaining to a low-level radioactive waste disposal site in this state; to create a low-level radioactive waste authority and prescribe its powers and duties; to create certain boards, committees, and institutes and prescribe their powers and duties; to prescribe the powers and duties of certain persons, municipalities, and counties and state departments and agencies; to provide for certain methods of dispute resolution; to create certain funds; and to provide for an appropriation and the expenditure of certain funds,” by amending section 20a (MCL 333.26220a).

The People of the State of Michigan enact:

333.26220a Bonds.

Sec. 20a. (1) For the purpose of financing the project costs associated with the disposal site, the authority may borrow money and issue its revenue bonds payable solely from the disposal site revenues, except to the extent paid from the proceeds of sale of revenue bonds or from any other security provided for and pledged as provided by this act. The bonds shall be serial bonds or term bonds, or a combination of serial bonds and term bonds, and shall be payable as provided in the resolution authorizing the bonds. The last annual principal installment shall not be longer than the estimated period of usefulness of the disposal site for which the bonds were issued as determined by the authority. The resolution of the authority authorizing the issuance of the bonds may provide for sinking fund payments; for the bonds to bear interest at a fixed or variable rate or rates of interest per annum or at no interest; for the establishment of a reserve and the method of funding the reserve; for the investment of bond proceeds and other money held in funds and accounts created by the resolution; for the denomination or denominations of the bonds; for the form, either coupon or registered, of the bonds; for the conversion or registration privileges; for the manner of execution; for the sources, medium of payment, and place or places within or without the state of payment; and that the bond be subject to redemption at the option of the holder or the authority with the terms and redemption premiums as the resolution provides.

(2) Bonds issued may be sold at a discount but may not be sold at a price that would make the interest cost on the money borrowed after deducting any premium or adding any discount exceed 10% per annum or the maximum rate permitted by the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821, whichever is greater. Bonds of the authority may be sold at public or private sale. Bonds issued under this act are not subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

(3) Bonds of the authority shall not be in any way a debt or liability of the state and shall not create or constitute an indebtedness, liability, or obligation of the state or constitute a pledge of the faith and credit of the state, but all bonds issued by the authority, unless funded or refunded by bonds issued by the authority, shall be payable solely from revenues or funds pledged or available for their payment from disposal site revenues, or as otherwise provided by this act. The authority shall not be personally liable for an indebtedness, liability, or obligation under this section. Each bond issued under this section shall contain on its face a statement to the effect that the bond is not in any way a debt or liability of the state, that the state is not obligated to pay principal or interest on the bond, that neither the faith and credit nor the taxing power of the state is pledged for the payment of principal or interest on the bond, and that the authority is obligated to pay the principal of and interest on the bond only from the disposal site revenues.

(4) The authority may authorize and approve an insurance contract, an agreement for a line of credit, a letter of credit, a commitment to purchase bonds, an agreement to remarket bonds or not to call for prior redemption of bonds, swaps, or interest protection agreements including interest rates, hedges, or similar agreements, and any other transaction to provide security to assure timely payment of the bond. The authority may authorize payment from the proceeds of the bond or from other funds available, of the costs of issuance including, but not limited to, fees for placement, charges for replacement, letters of credit, lines of credit, remarketing agreements, reimbursement agreements, or purchase or sales agreements or commitments, or agreements to provide security to assure timely payment of the bonds.

(5) A pledge of the disposal site revenues and the funds and accounts pledged by the resolution is valid and binding from the time when the pledge is made. The disposal site revenues pledged and thereafter received by the authority shall be subject to a statutory lien of the pledge without physical delivery of the revenues or money or further act, until payment in full of the principal of and interest upon the bonds, unless the authorizing resolution provides for an earlier discharge of the lien. The lien of a pledge of the disposal site revenue is valid and binding against a party having a claim of any kind in tort, contract, or otherwise against the authority, irrespective of whether that party has notice of the pledge. Neither the resolution authorizing the issuance of the bonds, the trust indenture, nor any other instrument by which a pledge is created need be filed or recorded in order to establish and perfect a lien or security interest in the property pledged.

(6) In the resolution authorizing the issuance of the bonds, the authority may authorize the state treasurer, as agent for the authority, to do 1 or more of the following:

(a) Sell and deliver, and receive payment for, bonds.

(b) Refund bonds by the delivery of new bonds, whether or not the bonds to be refunded have matured or are subject to redemption.

(c) Deliver bonds, partly to refund bonds, and partly for any other authorized purpose.

(d) Buy bonds that have been issued and resell those bonds.

(e) Approve interest rates or methods for fixing interest rates, prices, discounts, maturities, principal amounts, denominations, dates of issuance, interest payment dates, redemption rights at the option of the authority or holder, the place of delivery and payment, and other matters and procedures necessary to complete the transactions authorized.

(7) The authority may provide in the resolution authorizing the issuance of the bonds for 1 or more of the following:

(a) A provision that the disposal site revenues shall be pledged for the payment of the bonds.

(b) To covenant that the fees and surcharges provided for by section 19 shall be revised from time to time within the limits permitted by law and under the compact when necessary to insure that the revenues to be derived shall be sufficient to pay the principal of and interest on the bonds issued pursuant to this section and other obligations incurred in connection with the issuance of the bonds.

(c) To establish, make provision for, and make regulation regarding and disposition of reserves or sinking funds.

(d) To covenant with respect to or against limitations on the right to sell or otherwise dispose of property of any kind.

(e) A provision for deposit and expenditure of the proceeds of sale of the bonds and for investment of the proceeds and of other funds relating to the bonds.

(f) To covenant as to the issuance of additional bonds or notes, or as to limitations on the issuance of additional bonds, and on incurring other debts of the authority.

(g) To covenant as to the payment of principal and interest on the bonds, as to the sources and methods of that payment, as to the rank and priority of the bonds with respect to a lien or security, or as to the acceleration of the maturity of the bonds.

(h) To covenant as to the redemption of the bonds, and privileges for exchange of other bonds of the authority.

(i) To covenant as to create or authorize the creation of special funds or money to be held or pledged or otherwise for operating expenses, payment or redemption of bonds, reserves, or other purposes, and as to the use and disposition of the money held in these special funds.

(j) To establish the procedure by which the terms of a contract or covenant with or for the benefit of the holders of the bonds may be amended or abrogated, the amount of bonds the holders of which must consent to the amendment or abrogation, and to the manner in which the consent may be given.

(k) To provide for the rights and liabilities, powers, and duties arising upon the breach of a covenant, condition, or obligation, and to prescribe the events of default and the terms and conditions upon which any or all the bonds shall become or may be declared due and payable before maturity, and the terms and conditions upon which such declarations and its consequences may be waived.

(l) Provide for the appointment of a trustee, to vest in a trustee property, rights, powers, and duties in trust as the authority determines, which may include all or any of the rights, powers, or duties of a trustee appointed by the holders of bonds or notes, and to limit or abrogate the right of holders of bonds of the authority to appoint a trustee under this section or to limit the rights, powers, and duties of such trustee.

(m) To limit the rights of holders of bonds to enforce a pledge or covenant securing the bonds.

(n) Any other matters of like or different character, which in any way affects the security or protection of the bonds.

(8) Notwithstanding any other restriction contained in any other law, the state and the public officer, governmental unit, or agencies of the state or governmental unit; a bank, trust company, savings bank and institution, savings and loan association, investment company, or other person carrying on a banking business; an insurance company, insurance association, or any other person carrying on an insurance business; or an executor, administrator, guardian, trustee, or other fiduciary may legally invest a sinking fund,

money, or any other fund belonging to them or within their control in bonds or notes issued under this section, and authority bonds shall be authorized security for public deposits. If the interest of the bonds is excluded from gross income for federal income tax purposes, bonds and interest on those bonds shall be exempt from all taxation by the state or a subdivision of the state.

(9) The authority may provide for the issuance of bonds in the amount the authority considers necessary for the purpose of refunding bonds of the authority then outstanding, including the payment of any redemption premium and interest accrued or to accrue to the earliest or subsequent date of redemption, purchase, or maturity of these bonds. The proceeds of these refunding bonds may be applied to the purchase or retirement at maturity or redemption of outstanding bonds either on the earliest or subsequent redemption date, and pending the application, may be placed in escrow to be applied to the purchase or retirement at maturity or redemption on a date or dates determined by the authority. Pending the application and subject to agreements with the bondholders, the escrowed proceeds may be invested and reinvested in the manner the authority determines, maturing at the time or times as appropriate to assure prompt payment of the principal, interest, and redemption premium, if any, of the outstanding bonds to be refunded. After the terms of the escrow have been fully satisfied and carried out, the balance of the proceeds and interest, income, and profits, if any, earned or realized on the investment of the proceeds shall be returned to the authority for use by the authority in any lawful manner. In the resolution authorizing bonds, the authority may provide that the bonds that have been refunded shall be considered paid when there has been deposited in trust money or direct obligations of the United States, or other obligations secured by the foregoing that will provide payments of principal and interest adequate to pay the principal and interest on the refunded bonds as that principal and interest becomes due whether by maturity or prior redemption and that, upon the deposit of the money or obligations, the obligations of the authority to the holders of the refunded bonds are terminated except as to the rights to the money or obligations deposited in trust.

(10) As used in this section:

(a) “Annual principal installment” means a maturity of serial bonds, an amount of term bonds required to be redeemed in that year, or a maturity of term bonds less amounts previously required to be redeemed.

(b) “Bonds” means any note, bond, or other obligation or evidence of indebtedness of the authority.

(c) “Disposal site revenues” means fees and surcharges established by the authority under section 19; other revenues generated by the operation of the disposal site; and other revenues received by the bond holders pursuant to the resolution authorizing the bond, after deduction of reasonable expenses of administration, operation, and maintenance of the disposal site.

(d) “Project costs” means the costs of assurance of title, construction, insurance during construction, acquisition, improvement, enlargement, extension, or repair of the disposal site unit including any engineering, architectural, legal, accounting, financial, surveying, and other expenses incidental to the disposal site. Project costs shall also include interest on the bonds and other obligations of the borrower issued to pay project costs or to secure the timely payment of the bonds, a reserve or an addition to a reserve for payment of principal and interest on the bonds, the amount determined by the authority required for the operation of maintenance of the disposal site until sufficient revenues have developed, and all costs associated with the issuance of the bonds.

(11) The issuance of bonds under this act is subject to the agency financing reporting act.

This act is ordered to take immediate effect.

Approved June 3, 2002.

Filed with Secretary of State June 3, 2002.

[No. 415]

(SB 1082)

AN ACT to amend 1947 PA 235, entitled “An act to regulate the ownership, extension, improvement and operation of public water and sewage disposal systems lying within 2 or more public corporations; to authorize the acquisition, by any public corporation, of that part of a public water or sewage disposal system lying within its boundaries; and to provide for the payment and security of revenue bonds issued for the construction, acquisition, extension and improvement of such systems,” by amending sections 6 and 10 (MCL 123.336 and 123.340).

The People of the State of Michigan enact:

123.336 Disposal system; retirement of bonds; noncallable bonds; bond and interest redemption fund; payment priority; bonds subject to revenue bond act of 1933.

Sec. 6. (1) If there are outstanding revenue bonds issued for the acquisition, construction, extension, or improvement of the system, the bonds may be retired either by the issue of joint refunding bonds on behalf of all the public corporations by concurrent ordinances of their respective legislative or governing bodies, or by the apportionment of the outstanding indebtedness among the several public corporations and assumption by each of its proportion of indebtedness, or the issue by each of revenue refunding bonds or other obligations for its proportion. Unless otherwise provided by contract, the outstanding indebtedness, if the plan of refunding or assumption is adopted by either public corporation, and if there are noncallable bonds the owners of which do not consent to surrender for redemption, exchange, or indorsement, the plan may nevertheless be made effective if provision is made for the subordination of the refunding or assumed bonds to those not consenting and for a separate bond and interest redemption fund for the non-consenting bonds and the deposit of all money required by the ordinance under which the bonds were originally issued for the payment of the non-consenting bonds and reserves before any provision is made for the payment of the refunding or assumed bonds or reserves.

(2) Bonds issued under this section are subject to the revenue bond act of 1933, 1933 PA 94, MCL 141.101 to 141.140.

123.340 Disposal system; operation by joint board or agency as unit; fund payments; depreciation, contingent, and surplus funds; revised municipal finance act inapplicable.

Sec. 10. (1) If the system is operated as a single unit, by a joint board or by 1 public corporation as agent for all, the operating board or agency shall provide for the payment of the necessary amounts into the operation and maintenance fund and into the bond and interest redemption fund for all bonds secured by the revenues of the entire system. The public corporations may, by contract, provide for the joint holding and management of

other revenues or for their apportionment and deposit into separate bond and interest redemption funds for bonds, severally issued or assumed and into separate depreciation, contingent, and surplus funds. Unless otherwise provided by the contract, those revenues shall be divided and paid quarterly or more often into their respective treasuries and set apart by each into the appropriate funds. Unless otherwise provided by the contract, each public corporation shall have control of the construction of extensions and improvements to the system within its boundaries, and shall be entitled to its proportion of the contingent and surplus funds for that purpose.

(2) The contracts described in subsection (1) are not subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

This act is ordered to take immediate effect.

Approved June 3, 2002.

Filed with Secretary of State June 3, 2002.

[No. 416]

(SB 1167)

AN ACT to amend 1967 PA 266, entitled “An act to authorize and provide for the issuance of notes of the state, including refunding notes and commercial paper; to provide funds to meet obligations incurred pursuant to appropriations for fiscal years; to provide for the payment of such notes from revenues received during the same fiscal years; and to exempt certain notes and interest on those notes from taxation,” by amending section 4 (MCL 17.454).

The People of the State of Michigan enact:

17.454 Use of proceeds of loan restricted; revised municipal finance act inapplicable; issuance of bonds and notes subject to agency financing reporting act.

Sec. 4. (1) The proceeds of any loan under this act shall not be used to pay in advance appropriations to any municipality as defined in section 103 of the revised municipal finance act, 2001 PA 34, MCL 141.2103.

(2) Bonds, notes, and loans issued under this act are not subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

(3) The issuance of bonds and notes under this act is subject to the agency financing reporting act.

This act is ordered to take immediate effect.

Approved June 3, 2002.

Filed with Secretary of State June 3, 2002.

[No. 417]

(HB 5899)

AN ACT to amend 1949 PA 300, entitled “An act to provide for the registration, titling, sale, transfer, and regulation of certain vehicles operated upon the public highways

of this state or any other place open to the general public or generally accessible to motor vehicles and distressed vehicles; to provide for the licensing of dealers; to provide for the examination, licensing, and control of operators and chauffeurs; to provide for the giving of proof of financial responsibility and security by owners and operators of vehicles; to provide for the imposition, levy, and collection of specific taxes on vehicles, and the levy and collection of sales and use taxes, license fees, and permit fees; to provide for the regulation and use of streets and highways; to create certain funds; to provide penalties and sanctions for a violation of this act; to provide for civil liability of owners and operators of vehicles and service of process on residents and nonresidents; to provide for the levy of certain assessments; to provide for the enforcement of this act; to provide for the creation of and to prescribe the powers and duties of certain state and local agencies; to impose liability upon the state or local agencies; to repeal all other acts or parts of acts inconsistent with this act or contrary to this act; and to repeal certain parts of this act on a specific date," by amending section 801 (MCL 257.801), as amended by 2000 PA 502.

The People of the State of Michigan enact:

257.801 Registration taxes on vehicles; schedules; computation; exemption from ad valorem taxes on vehicles in stock or bond; increase and disposition of certain fees; definitions.

Sec. 801. (1) The secretary of state shall collect the following taxes at the time of registering a vehicle, which shall exempt the vehicle from all other state and local taxation, except the fees and taxes provided by law to be paid by certain carriers operating motor vehicles and trailers under the motor carrier act, 1933 PA 254, MCL 475.1 to 479.43; the taxes imposed by the motor carrier fuel tax act, 1980 PA 119, MCL 207.211 to 207.234; and except as otherwise provided by this act:

(a) For a motor vehicle, including a motor home, except as otherwise provided, and a pickup truck or van that weighs not more than 5,000 pounds, except as otherwise provided, according to the following schedule of empty weights:

| Empty weights | Fee |
|------------------------------|--|
| 0 to 3,000 pounds | \$ 29.00 |
| 3,001 to 3,500 pounds | 32.00 |
| 3,501 to 4,000 pounds | 37.00 |
| 4,001 to 4,500 pounds | 43.00 |
| 4,501 to 5,000 pounds | 47.00 |
| 5,001 to 5,500 pounds | 52.00 |
| 5,501 to 6,000 pounds | 57.00 |
| 6,001 to 6,500 pounds | 62.00 |
| 6,501 to 7,000 pounds | 67.00 |
| 7,001 to 7,500 pounds | 71.00 |
| 7,501 to 8,000 pounds | 77.00 |
| 8,001 to 8,500 pounds | 81.00 |
| 8,501 to 9,000 pounds | 86.00 |
| 9,001 to 9,500 pounds | 91.00 |
| 9,501 to 10,000 pounds | 95.00 |
| over 10,000 pounds | \$ 0.90 per 100 pounds of empty weight |

On October 1, 1983, and October 1, 1984, the tax assessed under this subdivision shall be annually revised for the registrations expiring on the appropriate October 1 or after