



**House
Legislative
Analysis
Section**

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**REFERENCES TO NEW MUNICIPAL
FINANCE ACT**

**Senate Bill 834 as passed by
the Senate
Sponsor: Sen. Bill Bullard**

**Senate Bill 840 as passed by
the Senate
Sponsor: Sen. Bob Emerson**

**Senate Bill 863 as passed by
the Senate
Sponsor: Sen. Arthur J. Miller**

**Senate Bill 870 as passed by
the Senate
Sponsor: Sen. George McManus**

**Senate Bill 977 as passed by
the Senate
Sponsor: Sen. Ken DeBeaussiaert**

**Senate Bill 1064 as passed by
the Senate
Sponsor: Sen. Alan Sanborn**

**Senate Bill 1067 as passed
by the Senate
Sponsor: Sen. Martha Scott**

**Senate Bill 1073 as passed by
the Senate
Sponsor: Sen. Alma Wheeler Smith**

**Senate Bill 1076 as passed by
the Senate
Sponsor: Sen. Dale Shugars**

**Senate Bills 1078, 1079, and 1082 as
passed by the Senate
Sponsor: Sen. Ken Sikkema**

**Senate Bills 1080 and 1167 as passed
by the Senate
Sponsor: Sen. Gary Peters**

**First Analysis (5-2-02)
House Committee: Tax Policy
Senate Committee: Finance**

**Senate Bills 834, 840, 863, 870, 977, 1064, 1067, 1073, 1076,
1078-1080, 1082 and 1167 (5-2-02)**

THE APPARENT PROBLEM:

The Revised Municipal Finance Act took effect March 1, 2002. It was created by Public Act 34 of 2001 (Senate Bill 29). Most of the old Municipal Finance Act was repealed on the same date. The new act will govern nearly all municipal borrowing and it puts in place, among other things, a new bond approval process whereby municipalities may qualify annually with the Department of Treasury and then may issue debt without prior departmental approval. The adoption of the new act, however, requires that a great many other statutes be amended as well. Generally speaking, borrowing by governmental units takes place under a general act, such as the Revised Municipal Finance Act, and a specific act authorizing a particular kind of entity to issue debt for particular purposes. There are perhaps as many as 170 bills needed to make all the various statutes on

borrowing conform to the Revised Municipal Finance Act!

THE CONTENT OF THE BILLS:

The bills would amend various acts to revise references and make technical modifications to conform to the Revised Municipal Finance Act, which took effect March 1, 2002.

Senate Bill 834 would amend Public Act 53 of 1994 (MCL 123.931), which authorizes internally pooled investments by local units of government.

Senate Bill 840 would amend the Glenn Steil State Revenue Sharing Act (MCL 141.917a).

Senate Bill 863 would amend the Emergency Municipal Loan Act (MCL 141.934).

Senate Bill 870 would amend the Drain Code of 1956 (MCL 280.275 et al.).

Senate Bill 977 would amend Public Act 185 of 1957 (MCL 123.741 et al.), concerning county departments and boards of public works.

Senate Bill 1064 would amend the Local Government Fiscal Responsibility Act (MCL 141.1212 et al.).

Senate Bill 1067 would amend Public Act 182 of 1971 (MCL 460.461 and 460.462), which permits local governments to borrow money to purchase, construct, and maintain public utilities.

Senate Bill 1073 would amend the Metropolitan District Act (MCL 119.4 and 119.5).

Senate Bill 1076 would amend the Metropolitan Councils Act (MCL 124.669).

Senate Bill 1078 would amend the Hertel-Law-T. Stopczynski Port Authority Act (MCL 120.114 and 120.118).

Senate Bill 1079 would amend the Brownfield Redevelopment Financing Act (MCL 125.2657 et al.).

Senate Bill 1080 would amend the Low-Level Radioactive Waste Authority Act (MCL 333.26220a).

Senate Bill 1082 would amend Public Act 235 of 1947 (MCL 123.335 and 123.340), concerning public water and sewer systems lying within two or more public corporations.

Senate Bill 1167 would amend Public Act 266 of 1967 (MCL 17.454), concerning state indebtedness.

FISCAL IMPLICATIONS:

According to the Senate Fiscal Agency, the bills have no fiscal impact.

ARGUMENTS:

For:

These are among a series of bills that tax specialists say are needed to make specific bonding and borrowing provisions throughout the Michigan

statutes conform to the Revised Municipal Finance Act, which took effect on March 1, 2002.

POSITIONS:

There are no positions on the bills.

Senate Bills 834, 840, 863, 870, 977, 1064, 1067, 1073, 1076,
1078-1080, 1082 and 1167 (5-2-02)

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■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.