

Senate Fiscal Agency  
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**SFA**

BILL ANALYSIS

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Senate Bill 1083 (as reported without amendment)  
Senate Bill 1084 (Substitute S-1 as reported)  
Sponsor: Senator Bill Bullard, Jr. (S.B.1083)  
          Senator Ken Sikkema (S.B. 1084)  
Committee: Finance

### **CONTENT**

Senate Bill 1083 would repeal Public Act 66 of 1941, which grants bonding authority to cities for waterfront improvements.

Senate Bill 1084 (S-1) would amend the Michigan Energy Employment Act to specify that bonds issued under the Act would be subject to the Revised Municipal Finance Act.

(Public Act 34 of 2001 creates the "Revised Municipal Finance Act" to regulate borrowing by municipalities, and their issuance of securities; repeal the Municipal Finance Act; and prescribe the powers and duties of the Department of Treasury to protect the credit of the State and its municipalities. The Act will take effect March 1, 2002. The Municipal Finance Act will be repealed on that day, except for two sections that will be repealed on April 30, 2002.)

Further, the bill would delete provisions in the Michigan Energy Employment Act that do the following: allow refunding of outstanding bonds; allow bonds to be serial or term bonds, or a combination of both; establish prior approval requirements; and allow bonds to be sold at public or private sale, at a discount not to exceed 10%. (The Revised Municipal Finance Act contains provisions that address these issues.)

Currently, a member municipality of a joint agency formed under the Michigan Energy Employment Act may contract to make payments to the joint agency of the municipality's taxes, charges, or special assessments. The bill provides that the contract would not be subject to the Revised Municipal Finance Act.

Currently, under the Michigan Energy Employment Act, a municipality, governmental unit, private corporation, firm, or individual may advance money or property to a joint agency to enable it to carry out or finance its powers and duties. The bill would eliminate the authority for a private corporation, firm, or individual to advance money or property to a joint agency.

MCL 123.601-123.604 (S.B. 1083)  
460.842 (S.B. 1084)

Legislative Analyst: George Towne

### **FISCAL IMPACT**

The bills would have no fiscal impact on State or local government.

Date Completed: 2-13-02

Fiscal Analyst: David Zin

