

Senate Fiscal Agency  
P. O. Box 30036  
Lansing, Michigan 48909-7536

**SFA****BILL ANALYSIS**

Telephone: (517) 373-5383  
Fax: (517) 373-1986  
TDD: (517) 373-0543

House Bill 5850 (as passed by the House)  
Sponsor: Representative Charles LaSata  
House Committee: Tax Policy  
Senate Committee: Finance

Date Completed: 5-6-02

### **CONTENT**

The bill would amend the Municipal Health Facilities Corporations Act to replace references to the Municipal Finance Act with references to the Revised Municipal Finance Act; and to specify that short-term notes (notes that mature within 18 months) issued to meet the operation and maintenance expenses of certain health facilities and services would be subject to the Revenue Bond Act.

(Public Act 34 of 2001 created 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 took effect on March 1, 2002. The Revenue Bond Act allows public corporations to issue revenue bonds, and pay for the bonds with revenue generated by fees and charges for public improvements, as well as taxes and special assessments.)

MCL 331.1401 et al.

Legislative Analyst: George Towne

### **FISCAL IMPACT**

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

Fiscal Analyst: David Zin

S0102\s5850sa

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.