

REPRINT
SUBSTITUTE FOR
SENATE BILL NO. 835

(As passed the Senate February 28, 2002)

A bill to amend 1980 PA 450, entitled
"The tax increment finance authority act,"
by amending section 15 (MCL 125.1815), as amended by 1996 PA
271.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 15. (1) By resolution of its board, the authority may
2 authorize, issue, and sell its tax increment bonds, subject to
3 the limitations set forth in this section, to finance a develop-
4 ment program. ~~or to refund or refund in advance obligations~~
5 ~~issued under this act.~~ The bonds ~~shall mature in not more than~~
6 ~~30 years and~~ are subject to the ~~municipal finance act, Act~~
7 ~~No. 202 of the Public Acts of 1943, being sections 131.1 to 139.3~~
8 ~~of the Michigan Compiled Laws~~ REVISED MUNICIPAL FINANCE ACT,
9 2001 PA 34, MCL 141.2101 TO 141.2821. The bonds issued under
10 this section shall be considered a single series for the purposes

SB835, As Passed House, April 9, 2002

Senate Bill No. 835

2

1 of ~~section 4 of chapter V of Act No. 202 of the Public Acts of~~
2 ~~1943, being section 135.4 of the Michigan Compiled Laws~~ THE
3 REVISED MUNICIPAL FINANCE ACT, 2001 PA 34, MCL 141.2101 TO
4 141.2821.

5 (2) The municipality by majority vote of the members of its
6 governing body may pledge its full faith and credit for the pay-
7 ment of the principal of and interest on the authority's tax
8 increment bonds. The municipality may pledge as additional
9 security for the bonds any money received by the authority or the
10 municipality pursuant to section 11.

11 (3) Notwithstanding any other provision of this act, if the
12 state treasurer determines that an authority or municipality can
13 issue a qualified refunding obligation and the authority or
14 municipality does not make a good faith effort to issue the qual-
15 ified refunding obligation as determined by the state treasurer,
16 the state treasurer may reduce the amount claimed by the author-
17 ity or municipality under section 12a by an amount equal to the
18 net present value saving that would have been realized had the
19 authority or municipality refunded the obligation or the state
20 treasurer may require a reduction in the capture of tax increment
21 revenues from taxes levied by a local or intermediate school dis-
22 trict or this state by an amount equal to the net present value
23 savings that would have been realized had the authority or munic-
24 ipality refunded the obligation. This subsection does not autho-
25 rize the state treasurer to require the authority or municipality
26 to pledge security greater than the security pledged for the
27 obligation being refunded.