

SENATE BILL No. 858

November 29, 2001, Introduced by Senator JOHNSON and referred to the Committee on Finance.

A bill to amend 2000 PA 321, entitled
"Recreational authorities act,"
by amending section 21 (MCL 123.1151).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 21. (1) An authority may borrow money and issue bonds
2 or notes to finance the acquisition, construction, and improve-
3 ment of a public swimming pool, a public recreation center, a
4 public auditorium, a public conference center, or a public park,
5 including the acquisition of sites and the acquisition and
6 installation of furnishings and equipment for these purposes.

7 (2) An authority shall not borrow money or issue bonds or
8 notes for a sum that, together with the total outstanding bonded
9 indebtedness of the authority, exceeds 2 mills of the taxable
10 value of the taxable property within the district as determined

SENATE BILL No. 858

1 under section 27a of the general property tax act, 1893 PA 206,
2 MCL 211.27a.

3 (3) Bonds or notes issued by an authority are a debt of the
4 authority and not of the participating municipalities.

5 (4) ~~Unless an exception from prior approval is available~~
6 ~~under sections 10 and 11 of chapter III of the municipal finance~~
7 ~~act, 1943 PA 202, MCL 133.10 and 133.11, ALL bonds or notes~~
8 ~~issued by a recreational authority under this act shall be~~
9 ~~approved by the department of treasury, and~~ are subject to the
10 ~~municipal finance act, 1943 PA 202, MCL 131.1 to 139.3~~ REVISED
11 MUNICIPAL FINANCE ACT, 2001 PA 34, MCL 141.2101 TO 141.2821.
12 ~~Before approving the issuance of a bond or note under this sub-~~
13 ~~section, the department of treasury shall determine that the~~
14 ~~amount of the proposed bond or note is sufficient but not exces-~~
15 ~~sive, that any revenue or income pledged for the payment of the~~
16 ~~bond or note is sufficient, and that the bond or note and the~~
17 ~~proceedings authorizing the bond or note comply with this act and~~
18 ~~other applicable law.~~

19 (5) ~~Bonds or notes issued by a recreational authority under~~
20 ~~this act shall not, in whole or in part, appreciate in principal~~
21 ~~amount or be sold at a discount of more than 10%.~~