

SENATE BILL No. 1316

May 9, 2002, Introduced by Senators HAMMERSTROM, STILLE and STEIL and referred to the Committee on Finance.

A bill to create and provide for the operation of the Michigan next energy authority; to provide for the creation and appointment of a board to govern the authority and to prescribe its powers and duties; to provide for the powers and duties of the authority; to extend protections against certain liabilities to the authority; to authorize the conveyance of state land and to confer authority and jurisdiction over state land to the authority; to provide for the issuance of certain bonds, notes, and other obligations; to facilitate the use and development of authority property; to promote alternative energy technology and economic growth; to authorize the acquisition, maintenance, and disposal of interests in real and personal property; to provide for the conveyance of land transferred to the authority; to allow for the creation of a center to manage the authority's land; to

convey state land; and to exempt property, income, and operations of an authority from tax.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act shall be known and may be cited as the
2 "Michigan next energy authority act".

3 Sec. 2. As used in this act:

4 (a) "Alternative energy technology" and "alternative energy
5 technology business" mean those terms as defined in section 9h of
6 the general property tax act, 1893 PA 206, MCL 211.9h.

7 (b) "Alternative energy zone" means a renaissance zone des-
8 igned as an alternative energy zone by the board of the
9 Michigan strategic fund under section 8a of the Michigan renais-
10 sance zone act, 1996 PA 376, MCL 125.2688a.

11 (c) "Authority" means the Michigan next energy authority
12 created under section 3.

13 (d) "Board" means the governing body of an authority under
14 section 4.

15 (e) "Center" means a separate legal entity created to
16 manage, develop, and create a master plan for land located within
17 an alternative energy zone created by the authority and to exer-
18 cise other duties as considered necessary by the authority to
19 fulfill the purposes of this act.

20 (f) "Department" means the department of management and
21 budget.

22 (g) "Fiscal year" means that annual period that is the
23 fiscal year of the state government.

1 (h) "Fund" means the alternative energy technology fund
2 created in section 20.

3 (i) "Governmental agency" means a department, agency, or
4 commission of this state or of a county, city, village, or town-
5 ship of this state.

6 (j) "Infrastructure" means a public facility as that term is
7 defined in section 2 of the local development financing act, 1986
8 PA 281, MCL 125.2152. Infrastructure also includes a facility or
9 facilities that support an alternative energy technology project
10 and that are located within an alternative energy zone.

11 (k) "Local unit of government" means a city, county, town-
12 ship, or village.

13 (l) "Nonprofit corporation" means a nonprofit corporation
14 created under the nonprofit corporation act, 1982 PA 162,
15 MCL 450.2101 to 450.3192

16 (m) "Project" means an alternative energy technology project
17 and, in addition, means the acquisition, construction, conver-
18 sion, conveyance, or leasing of land or facilities to carry out
19 the purposes of this act and of the authority, including, but not
20 limited to, acquisition of land or interest in land, buildings,
21 structures, or other planned or existing improvements to land,
22 including leasehold improvements, machinery, equipment, or fur-
23 nishings, which include, but are not limited to, the following
24 facilities for alternative energy technology: office facilities;
25 engineering facilities; research and development laboratories;
26 manufacturing facilities; warehousing facilities; parts
27 distribution facilities; storage facilities; testing facilities;

1 facilities that support alternative energy technology projects;
2 and equipment or facilities designed to produce energy from
3 renewable resources.

4 Sec. 3. (1) There is created by this act a public body cor-
5 porate and politic known as the Michigan next energy authority.
6 The authority shall be located within the department.

7 (2) The authority shall exercise its prescribed statutory
8 powers, duties, and functions independently of the director of
9 the department. The budgeting, procurement, and related adminis-
10 trative functions of the authority shall be performed under the
11 direction and supervision of the director of the department.

12 (3) The authority may contract with the department for the
13 purpose of maintaining the rights and interests of the
14 authority.

15 (4) The accounts of the authority may be subject to annual
16 financial audits by the state auditor general. Records of the
17 authority shall be maintained according to generally accepted
18 accounting principles.

19 Sec. 4. (1) An authority created under this act is governed
20 by a board consisting of 7 board members who are residents of
21 this state.

22 (2) The members of a board shall be appointed by the gover-
23 nor for the following initial terms:

24 (a) One board member representing a state university gov-
25 erned by a control board under section 5 of article VIII of the
26 state constitution of 1963 located within a county in which land

1 transferred to the authority under section 22 is located, for a
2 term of 4 years.

3 (b) One board member representing the government of a county
4 in which land transferred to the authority under section 22 is
5 located, for a term of 3 years.

6 (c) One board member representing the government of a city
7 or township in which land transferred to the authority under sec-
8 tion 22 is located, for a term of 4 years.

9 (d) Four board members, 1 for a term of 2 years, 1 for a
10 term of 3 years, and 2 for a term of 4 years.

11 (3) The board members described in subsection (2)(a) through
12 (c) shall be appointed by the governor representing the economic
13 development interests in this state.

14 (4) Upon appointment to the board under subsection (2) and
15 upon the taking and filing of the constitutional oath of office
16 prescribed in section 1 of article XI of the state constitution
17 of 1963, a member of the board shall enter the office and exer-
18 cise the duties of the office.

19 (5) After the first appointment, each member shall serve a
20 term of 4 years, except that a person appointed to fill a vacancy
21 shall be appointed for the balance of the unexpired term. The
22 governor shall fill a vacancy in the office by appointment in the
23 same manner as an appointment under subsection (2). A member of
24 the board shall hold office until a successor has been appointed
25 and qualified. A member of the board is eligible for
26 reappointment.

1 (6) A member of the board or an officer, appointee, or
2 employee of the authority is not subject to personal liability
3 when acting in good faith within the scope of his or her author-
4 ity or on account of liability of the authority. The board may
5 indemnify a member of the board or an officer, appointee, or
6 employee of the authority against liability arising out of the
7 discharge of his or her official duties. The authority may
8 indemnify and procure insurance indemnifying members of the board
9 and other officers and employees of the authority from personal
10 loss or accountability for liability asserted by a person with
11 regard to bonds or other obligations of the authority or from any
12 personal liability or accountability by reason of the issuance of
13 the bonds or other obligations or by reason of any other action
14 taken or the failure to act by the authority. The authority may
15 also purchase and maintain insurance on behalf of any person
16 against any liability asserted against the person and incurred by
17 the person in any capacity or arising out of the status of the
18 person as a member of the board or an officer or employee of the
19 authority, whether or not the authority would have the power to
20 indemnify the person against any liability under this section.
21 The authority, pursuant to bylaw, contract, agreement, or resolu-
22 tion of its board, may obligate itself in advance to indemnify
23 persons.

24 (7) Members of the board and officers and employees of the
25 authority are considered public servants subject to 1968 PA 317,
26 MCL 15.321 to 15.330, and 1968 PA 318, MCL 15.301 to 15.310. A
27 member of the board or an officer, employee, or agent of the

1 authority shall discharge the duties of the position in a
2 nonpartisan manner, in good faith, in the best interests of the
3 authority, and with the degree of diligence, care, and skill that
4 an ordinarily prudent person would exercise under similar circum-
5 stances in a like position. In discharging duties of the office,
6 a member of the board or an officer, employee, or agent of the
7 authority, when acting in good faith, may rely upon a majority
8 vote of a quorum of the board, upon the opinion of counsel for
9 the authority, upon the report of an independent appraiser
10 selected with reasonable care by the board, or upon financial
11 statements of the authority represented to the member of the
12 board, officer, employee, or agent to be correct by the officer
13 of the authority having charge of its books or accounts or stated
14 in a written report by the auditor general or a certified public
15 accountant or a firm of accountants to fairly reflect the finan-
16 cial condition of the authority.

17 (8) The board may establish policies and procedures requir-
18 ing periodic disclosure of relationships that may give rise to
19 conflicts of interest. The board may require that a member of
20 the board who has a direct or indirect interest in any matter
21 before the authority disclose the member's interest and any rea-
22 sons reasonably known to the member of the board why the transac-
23 tion may not be in the best interest of the public before the
24 board takes any action with respect to the matter. The disclo-
25 sure shall become part of the record of an authority's
26 proceedings. A member of the board who has an interest in a
27 contract before the authority, as set forth in section 2(2) of

1 1968 PA 317, MCL 15.322, shall not take part in the negotiation
2 or approval of the contract.

3 (9) The governor shall designate 1 member of the board to
4 serve as its chairperson. The board shall elect a
5 vice-chairperson, secretary, and any additional officers of the
6 board considered necessary by the board from among its members.
7 With the exception of the chairperson, who shall serve a 4-year
8 term, all officers of the board shall be elected annually by the
9 board. Members of the board shall serve without compensation,
10 but shall be reimbursed for actual and necessary expenses.

11 Sec. 5. (1) Upon the appointment of at least 4 members of
12 the board under section 4, the board may hold its first meeting.
13 If fewer than 4 members of the board have been appointed under
14 section 4 within 30 days after the date on which the authority
15 was created, a majority of those board members appointed may hold
16 the first meeting of the board after the expiration of that
17 30-day period. The first meeting of the board shall be held not
18 more than 60 days after the creation date of the authority.

19 (2) Except for those powers reserved or delegated to a chief
20 executive officer of the authority by this act or by the board,
21 the board shall not delegate any power of the board to any other
22 officer or committee of the authority. The board may withdraw
23 from the chief executive officer any power that the board dele-
24 gates to the chief executive officer.

25 (3) The board shall organize and adopt its own policies,
26 procedures, schedule of regular meetings, and a regular meeting
27 date, place, and time. The board shall conduct all business at

1 public meetings held in compliance with the open meetings act,
2 1976 PA 267, MCL 15.261 to 15.275. Public notice of the time,
3 date, and place of each meeting shall be giving in the manner
4 required by the open meetings act, 1976 PA 267, MCL 15.261 to
5 15.275.

6 (4) A writing prepared, owned, used, in the possession of,
7 or retained by the board in the performance of an official func-
8 tion shall be made available to the public in compliance with the
9 freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

10 (5) A board may act only by resolution. A majority of the
11 members of the board then in office, or of any committee of the
12 board, shall constitute a quorum for the transaction of
13 business. A vote of a majority of the members of the board serv-
14 ing at the time of the vote is necessary to approve the issuance
15 by the authority of bonds, to approve or amend the annual budget
16 of the authority, or to hire, remove, discharge, or set the
17 salary of the chief executive officer. Except as otherwise pro-
18 vided in this act, a vote of the majority of the board members
19 present at a meeting at which a quorum is present constitutes the
20 action of the board or of the committee.

21 (6) Before the beginning of each fiscal year, the board
22 shall prepare a budget containing an itemized statement of the
23 estimated current operational expenses and the expenses for the
24 operation and development of the land under the jurisdiction of
25 the board, the amount necessary to pay the principal and interest
26 of any outstanding bonds or other obligations of the authority
27 maturing during the ensuing fiscal year or that have previously

1 matured and are unpaid, an estimate of the revenue of the
2 authority from all sources for the ensuing fiscal year, and other
3 amounts necessary to further the purposes of this act. The board
4 shall adopt that budget in accordance with the uniform budgeting
5 and accounting act, 1968 PA 2, MCL 141.421 to 141.440a, and shall
6 submit it to the department for its approval. The authority's
7 budget shall be funded by proceeds derived from the conveyance of
8 land held by the authority and any gifts, grants, loans, and
9 other aids from any person or the federal, the state, or a local
10 government or any agency of the federal, the state, or a local
11 government.

12 Sec. 6. (1) The board may appoint a person, other than a
13 member of the board, to serve as the chief executive of the
14 authority, to whom the authority may delegate any of its adminis-
15 trative powers and authorization. The chief executive shall be
16 an ex officio member, without vote, of the board and shall not be
17 considered in determining the presence of a quorum, and shall
18 have professional qualifications commensurate with the responsi-
19 bility of the position. During employment, the chief executive
20 shall not have a financial interest in facilities or projects
21 over which the authority has jurisdiction or power to act.
22 Before entering upon the duties of his or her office, the chief
23 executive shall take and file the constitutional oath of office
24 provided in section 1 of article XI of the state constitution of
25 1963.

1 (2) Subject to the approval of the board, the chief
2 executive shall supervise, and be responsible for, all of the
3 following:

4 (a) The performance of the functions of the authority under
5 this act.

6 (b) A regular report describing the activities and financial
7 condition of the authority.

8 (c) The issuance of bonds and notes approved by the board.

9 (d) The negotiation and establishment of compensation and
10 other terms and conditions of employment for employees of the
11 authority.

12 (e) The negotiation, supervision, and enforcement of con-
13 tracts entered into by the authority and the supervision of con-
14 tractors and subcontractors of the authority in the performance
15 of their duties.

16 (f) All other activities or functions that the board consid-
17 ers necessary.

18 (3) If considered necessary by the board, the chief execu-
19 tive may appoint a chief financial officer who shall be the trea-
20 surer of the authority, who shall have professional qualifica-
21 tions commensurate with the responsibility of the position.

22 Notwithstanding any law or charter provision to the contrary, the
23 chief financial officer of the authority shall receive all money
24 belonging to the authority or arising or received in connection
25 with the land over which jurisdiction has been transferred to the
26 authority, from whatever source derived. Money of the authority
27 shall be deposited, invested, and paid by the chief financial

1 officer only in accordance with this act or with policies,
2 procedures, ordinances, or resolutions adopted by the board. The
3 chief financial officer shall provide the board with copies of
4 all reports made by the chief financial officer to the chief
5 executive officer.

6 (4) The board may employ legal and technical experts, pri-
7 vate consultants and engineers, accountants, and other agents or
8 employees for rendering professional and technical assistance and
9 advice as may be necessary. The authority shall determine the
10 qualifications, duties, and compensation of those it employs.

11 Sec. 7. (1) Except as otherwise provided in this act, the
12 authority may do all things necessary or convenient to implement
13 the purposes, objectives, and provisions of this act and the pur-
14 poses, objectives, and powers delegated to the board by other
15 laws or executive orders, including, but not limited to, all of
16 the following:

17 (a) Adopt, amend, and repeal bylaws for the regulation of
18 its affairs and the conduct of its business.

19 (b) Adopt an official seal and alter the seal at the plea-
20 sure of the board.

21 (c) Sue and be sued in its own name and plead and be
22 impleaded.

23 (d) Solicit and accept gifts, grants, loans, and other
24 assistance from any person or the federal, the state, or a local
25 government or any agency of the federal, the state, or a local
26 government or participate in any other way in any federal, state,
27 or local government program.

1 (e) Research and publish studies, investigations, surveys,
2 and findings on the development and use of alternative energy
3 technology.

4 (f) Manage and oversee an alternative energy zone on land
5 owned by the authority and receive designation of renaissance
6 zone status for the alternative energy zone.

7 (g) Finance, direct, or otherwise aid in the planning, con-
8 struction, and design of alternative energy technology businesses
9 and infrastructure located within an alternative energy zone.

10 (h) Lay out, design, construct, acquire, operate, lease,
11 sell, and convey planned sites within an alternative energy zone,
12 subject to the restrictions contained in this act.

13 (i) Make grants, loans, and investments; guarantee and
14 insure loans, leases, bonds, notes, or other indebtedness,
15 whether public or private; and issue letters of credit.

16 (j) Construct; acquire by gift, purchase, installment pur-
17 chase, or lease; and reconstruct, improve, repair, or equip a
18 project or any part of a project, including related
19 infrastructure.

20 (k) Borrow money and issue bonds and notes to finance part
21 or all of the project costs of a project and secure those bonds
22 and notes by mortgage, assignment, or pledge of any of its money,
23 revenues, income, and properties. The authority provided by this
24 subdivision includes, but is not limited to, issuing bonds and
25 notes to acquire and install machinery, equipment, furnishings,
26 and other personal property, notwithstanding that the authority
27 does not own or propose to own or finance the building or land in

1 or near to which the machinery, equipment, furnishings, and other
2 personal property are or will be located.

3 (l) Acquire or contract to acquire from a person, a munici-
4 pality, the federal or state government, or an agency of the fed-
5 eral or state government, leaseholds, real or personal property,
6 or any interest in real or personal property and own, hold,
7 clear, improve, and rehabilitate and sell, assign, exchange,
8 transfer, convey, lease, mortgage, or otherwise dispose of or
9 encumber leaseholds, real or personal property, or any interest
10 in real or personal property, as is convenient for the accom-
11 plishment of the purposes of this act and of the authority.

12 (m) Procure insurance against any loss in connection with
13 the authority's property, assets, or activities.

14 (n) Invest any money of the authority, at the board's dis-
15 cretion, in any bond, note, or other obligation determined proper
16 by the board, and name and use depositories for its money.

17 (o) Contract for goods and services and engage personnel as
18 necessary and engage the services of private consultants, manag-
19 ers, legal counsel, engineers, accountants, and auditors for
20 rendering professional financial assistance and advice payable
21 out of any money of the authority.

22 (p) Charge, impose, and collect fees and charges in connec-
23 tion with any transaction and provide for reasonable penalties
24 for delinquent payment of fees or charges.

25 (q) Indemnify and procure insurance indemnifying any members
26 of the board from personal loss or accountability from liability
27 asserted by a person on the bonds or notes of the authority or

1 from any personal liability or accountability by reason of the
2 issuance of the bonds, notes, insurance, or guarantees; by reason
3 of acquisition, construction, ownership, or operation of a
4 project; or by reason of any other action taken or the failure to
5 act by the authority.

6 (r) Enter into a lease for the use or sale of a project.

7 The lease may provide for options to purchase or renew.

8 (s) Mortgage or create security interests in a project or
9 any part of a project, or in a lease or loan, or in the rents,
10 revenues, or sums to be paid under a lease or loan, in favor of
11 the holders of the bonds or notes issued by the authority.

12 (t) Convey or release a project or any part of a project to
13 a lessee, purchaser, or borrower under any agreement after provi-
14 sion has been made for the retirement in full of the bonds or
15 notes issued for that project under terms and conditions provided
16 in the agreement or as may be agreed with the holders of the
17 bonds or notes, at any time where the obligation of the lessee,
18 purchaser, or borrower to make the payments prescribed shall
19 remain fixed as provided in the agreement notwithstanding the
20 conveyance or release, or as may otherwise be agreed with the
21 holders of the bonds or notes.

22 (u) Create and operate centers, accounts, and funds as
23 required or permitted by law for the use, management, and dis-
24 bursement of real or personal property or other assets of the
25 authority.

1 (v) Promote the research, development, and manufacturing of
2 alternative energy technology through the conveyance or lease of
3 real property.

4 (w) Develop property for economic development reasons to
5 advance the purposes of the authority.

6 (x) Make and enter into contracts or agreements with a state
7 university described in section 4 of article VIII of the state
8 constitution of 1963, a community college, governmental agencies,
9 local units of government, and nonprofit corporations necessary
10 or incidental to accomplish the powers and duties of the author-
11 ity under this act or other laws that relate to the purposes and
12 responsibilities of the authority.

13 (y) Do all other things necessary or convenient to promote
14 and increase the research, development, and manufacturing of
15 alternative energy technology and to otherwise achieve the objec-
16 tives and purposes of the authority, this act, or other laws that
17 relate to the purposes and responsibilities of the authority.

18 (2) The enumeration of a power in this act shall not be con-
19 strued as a limitation upon the general powers of the authority.

20 Sec. 8. (1) The authority may acquire real or personal
21 property or rights or interests in real or personal property by
22 gift, devise, transfer, exchange, foreclosure, purchase, or oth-
23 erwise on terms and conditions and in a manner the authority con-
24 siders proper. The authority may own, lease as lessor, convey,
25 demolish, relocate, or rehabilitate real or personal property or
26 rights or interests in real or personal property, consistent with
27 the purposes of this act.

1 (2) Real property acquired by the authority by purchase may
2 be obtained by any method deemed desirable by the authority. The
3 authority may purchase real property or rights or interests in
4 real property for any purpose the authority considers necessary
5 to carry out the purposes of this act, including, but not limited
6 to, 1 or more of the following purposes:

7 (a) The use or development of property the authority has
8 otherwise acquired for alternative energy technology or related
9 infrastructure.

10 (b) To facilitate the assembly of property for sale or lease
11 to any other public or private person, for use consistent with
12 the purposes of this act.

13 Sec. 9. (1) The authority may control, hold, manage, main-
14 tain, operate, repair, lease as lessor, secure, prevent the waste
15 or deterioration of, demolish, and take all other actions neces-
16 sary to preserve the value of property held by the authority.
17 The authority has exclusive jurisdiction over all property held
18 by the authority. The authority may take or perform the follow-
19 ing with respect to property held or owned by the authority:

20 (a) Grant or acquire a license, easement, or option with
21 respect to property as the authority determines is reasonably
22 necessary to achieve the purposes of this act.

23 (b) Fix, charge, and collect rents, fees, and charges for
24 use of property under the control of the authority.

25 (c) Pay any tax or special assessment due on property
26 acquired or owned by the authority.

1 (d) Take any action, provide any notice, or institute any
2 proceeding required to clear or quiet title to property held by
3 the authority in order to establish ownership by and vest title
4 to property in the authority.

5 (e) Develop a land use master plan consistent with the pur-
6 poses of this act that is in reasonable accord with the master
7 zoning plan of the local unit of government in which the property
8 is located.

9 (2) The authority shall defend any actions concerning title
10 claims against property held by the authority and shall have
11 exclusive jurisdiction over all property held by the authority.

12 (3) The authority and the governing body board of a state
13 university described in section 4 of article VIII of the state
14 constitution of 1963, a governmental agency, or a local unit of
15 government may enter into an interlocal agreement under the urban
16 cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to
17 124.512, providing for the joint exercise of powers granted to an
18 authority under this act, including, but not limited to, those
19 powers related to the acceptance and management of real
20 property. The university governing body board, a governmental
21 agency, or a local unit of government shall have the same powers
22 and duties as the authority for purposes of an agreement under
23 this subsection. The authority may transfer property to a public
24 body corporate created by an agreement entered into under this
25 subsection.

26 (4) All powers and duties granted by this act to the
27 governor, the authority, or the board, including the authority to

1 convey, transfer, or dispose of property, may be exercised
2 notwithstanding any other law, charter provision, or ordinance to
3 the contrary.

4 (5) In the exercise of its powers and duties under this act
5 and its powers relating to property held by the authority, the
6 authority shall have complete control as fully and completely as
7 if it represented a private property owner and shall not be
8 subject to restrictions imposed by other law, charter, ordi-
9 nances, or resolutions of a local unit of government.

10 Sec. 10. (1) The authority may authorize and issue its
11 bonds or notes payable solely from revenues or funds available to
12 the authority. Bonds and notes of the authority are not a debt
13 or liability of this state and do not create or constitute any
14 indebtedness, liability, or obligations of this state or consti-
15 tute a pledge of the faith or credit of this state. All author-
16 ity bonds and notes shall be payable solely from revenues or
17 funds pledged or available for their payment as authorized in
18 this act. Each bond and note shall contain on its face a state-
19 ment to the effect that the authority is obligated to pay the
20 principal of and the interest on the bond or note only from reve-
21 nue or funds of the authority pledged for the payment of princi-
22 pal and interest and that this state is not obligated to pay that
23 principal and interest and that neither the faith and credit nor
24 the taxing power of this state is pledged to the payment of the
25 principal of or the interest on the bond or note.

26 (2) All expenses incurred in carrying out this section shall
27 be payable solely from revenues or funds provided or to be

1 provided under this act. This act does not authorize the
2 authority to incur any indebtedness or liability on behalf of or
3 payable by this state.

4 (3) Bonds and notes issued under this act are not subject to
5 the revised municipal finance act, 2001 PA 34, MCL 141.2101 to
6 141.2821.

7 (4) The issuance of bonds and notes under this section is
8 subject to the agency financing reporting act.

9 Sec. 11. (1) The authority may issue from time to time
10 bonds or notes in principal amounts the authority considers nec-
11 essary to provide funds for any purpose, including, but not
12 limited to, all of the following:

13 (a) The payment, funding, or refunding of the principal of,
14 interest on, or redemption premiums on bonds or notes issued by
15 the authority whether the bonds or notes or interest to be funded
16 or refunded has or has not become due.

17 (b) The establishment or increase of reserves to secure or
18 to pay authority bonds or notes or interest on those bonds or
19 notes.

20 (c) The payment of interest on the bonds or notes for a
21 period as the authority determines.

22 (d) The payment of all other costs or expenses of the
23 authority incident to and necessary or convenient to carry out
24 its corporate purposes and powers.

25 (2) The bonds or notes of the authority shall not be a gen-
26 eral obligation of the authority but shall be payable solely from
27 the revenues or funds, or both, pledged to the payment of the

1 principal of and interest on the bonds or notes as provided in
2 the resolution authorizing the bonds or notes.

3 (3) The bonds or notes of the authority:

4 (a) Shall be authorized by resolution of the authority.

5 (b) Shall bear the date or dates of issuance.

6 (c) May be issued as either tax-exempt bonds or notes or
7 taxable bonds or notes for federal income tax purposes.

8 (d) Shall be serial bonds, term bonds, or term and serial
9 bonds.

10 (e) Shall mature at a time or times not exceeding 30 years
11 from the date of issuance.

12 (f) May provide for sinking fund payments.

13 (g) May provide for redemption at the option of the author-
14 ity at any time for any reason or reasons.

15 (h) May provide for redemption at the option of the bond-
16 holder at any time for any reason.

17 (i) Shall bear interest at a fixed or variable rate or rates
18 of interest per year or at no interest.

19 (j) Shall be registered bonds, coupon bonds, or both.

20 (k) May contain a conversion feature.

21 (l) May be transferable.

22 (m) Shall be in the form, denomination or denominations, and
23 with such other provisions and terms as are determined necessary
24 or beneficial by the authority.

25 Sec. 12. (1) The authority may authorize and approve an
26 insurance contract, an agreement for a line of credit, a letter
27 of credit, a commitment to purchase notes or bonds, an agreement

1 to remarket bonds or notes, or any other transaction to provide
2 security to assure timely payment of a bond or note.

3 (2) The authority may authorize payment from the proceeds of
4 the notes or bonds, or other funds available, of the costs of
5 issuance, including, but not limited to, fees for placement,
6 charges for insurance, letters of credit, lines of credit, remar-
7 keting agreements, reimbursement agreements, or purchase or sales
8 agreements or commitments, or agreements to provide security to
9 assure timely payment of notes or bonds.

10 Sec. 13. Within limitations that shall be contained in the
11 issuance or authorization resolution of the authority, the
12 authority may authorize a member of the board, the chief execu-
13 tive, or other officer of the authority to do 1 or more of the
14 following:

15 (a) Sell and deliver and receive payment for notes or
16 bonds.

17 (b) Refund notes or bonds by the delivery of new notes or
18 bonds whether or not the notes or bonds to be refunded have
19 matured or are subject to redemption.

20 (c) Deliver notes or bonds, partly to refund notes or bonds
21 and partly for any other authorized purpose.

22 (d) Buy notes or bonds that are issued and resell those
23 notes or bonds.

24 (e) Approve interest rates or methods for fixing interest
25 rates, prices, discounts, maturities, principal amounts, denomi-
26 nations, dates of issuance, interest payment dates, redemption
27 rights, at the option of the authority or the holder, the place

1 of delivery and payment, and other matters and procedures
2 necessary to complete the transactions authorized.

3 (f) Direct the investment of any and all funds of the
4 authority.

5 (g) Approve the terms of a contract and execute and deliver
6 the contract subject to the restrictions of this part.

7 (h) Approve the terms of any insurance contract, agreement
8 for a line of credit, a letter of credit, a commitment to pur-
9 chase notes or bonds, an agreement to remarket bonds or notes, an
10 agreement to manage payment, revenue, or interest rate exposure,
11 or any other transaction to provide security to assure timely
12 payment of a bond or note.

13 (i) Perform any power, duty, function, or responsibility of
14 the authority.

15 Sec. 14. A resolution authorizing bonds or notes may pro-
16 vide for all of the following that shall be part of the contract
17 with the holders of the bonds or notes:

18 (a) A pledge to any payment or purpose all or any part of
19 authority revenues or assets to which its right then exists or
20 may later come to exist, of money derived from the revenues or
21 assets, and of the proceeds of bonds or notes or of an issue of
22 bonds or notes, subject to any existing agreements with bondhold-
23 ers or noteholders.

24 (b) A pledge of a loan, grant, or contribution from the fed-
25 eral, state, or local government.

1 (c) The establishment and setting aside of reserves or
2 sinking funds and the regulation and disposition of reserves or
3 sinking funds subject to this act.

4 (d) Authorization for and limitations on the issuance of
5 additional bonds or notes for the purposes provided for in the
6 resolution and the terms upon which additional notes or bonds may
7 be issued and secured.

8 (e) The procedure, if any, by which the terms of a contract
9 with noteholders or bondholders may be amended or abrogated, the
10 number of noteholders or bondholders who are required to consent
11 to the amendment or abrogation, and the manner in which consent
12 may be given.

13 (f) A contract with the bondholders as to the custody, col-
14 lection, securing, investment, and payment of any money of the
15 authority. Money of the authority and deposits of money may be
16 secured in the manner determined by the authority. Banks and
17 trust companies may give security for the deposits.

18 (g) Vest in a trustee, or a secured party, the property,
19 income, revenue, receipts, rights, remedies, powers, and duties
20 in trust or otherwise as the authority determines necessary or
21 appropriate to adequately secure and protect noteholders and
22 bondholders or to limit or abrogate the right of the holders of
23 bonds or notes of the authority to appoint a trustee under this
24 act or to limit the rights, powers, and duties of the trustee.

25 (h) Provide the trustee, the noteholders, or the bondholders
26 remedies that may be exercised if the authority fails or refuses
27 to comply with this act or defaults in an agreement made with the

1 holders of an issue of bonds or notes, which may include, but are
2 not limited to, the following:

3 (i) By mandamus or other suit, action, or proceeding at law
4 or in equity, to enforce the rights of the bondholders or note-
5 holders and require the authority to carry out any other agree-
6 ment with the holders of those notes or bonds and to perform the
7 duties of the authority under this act.

8 (ii) Bring suit upon the notes or bonds.

9 (iii) By action or suit, require the authority to account as
10 if it were the trustee of an express trust for the holders of the
11 notes or bonds.

12 (iv) By action or suit in equity, enjoin any acts or things
13 that may be unlawful or in violation of the rights of the holders
14 of the notes or bonds.

15 (v) Declare the notes or bonds due and payable and, if all
16 defaults shall be made good, then, as permitted by the resolu-
17 tion, annul that declaration and its consequences.

18 (i) Any other matters of like or different character that in
19 any way affect the security or protection of the bonds or notes.

20 Sec. 15. A pledge made by the authority shall be valid and
21 binding from the time the pledge is made. The money or property
22 pledged and then received by the authority immediately is subject
23 to the lien of the pledge without physical delivery or further
24 act. The lien of a pledge is valid and binding as against par-
25 ties having claims of any kind in tort, contract, or otherwise
26 against the authority and is valid and binding as against the
27 transfers of money or property pledged, irrespective of whether

1 parties have notice. The resolution, the trust agreement, or any
2 other instrument by which a pledge is created is not required to
3 be recorded in order to establish and perfect a lien or security
4 interest in the property pledged.

5 Sec. 16. The members of the board and any person executing
6 bonds or notes issued as provided in this act and any person exe-
7 cuting any agreement on behalf of the authority is not personally
8 liable on the bonds or notes by reason of their issuance.

9 Sec. 17. The authority may hold, cancel, or resell author-
10 ity bonds or notes subject to or in accordance with an agreement
11 with holders of authority bonds or notes.

12 Sec. 18. This state pledges to and agrees with the holders
13 of bonds or notes issued in accordance with this act that this
14 state shall not limit or restrict the rights vested in the
15 authority by this act to fulfill the terms of an agreement made
16 with the holders of authority bonds or notes or in any way impair
17 the rights or remedies of the holders of the bonds or notes of
18 the authority until the bonds and notes, together with interest
19 on the bonds or notes and interest on any unpaid installments of
20 interest, and all costs and expenses in connection with an action
21 or proceedings by or on behalf of those holders are fully met,
22 paid, and discharged.

23 Sec. 19. Notwithstanding any restriction in any other law,
24 this state and a public officer, local unit of government, agency
25 of this state or a local unit of government, an intergovernmental
26 entity created under the laws of this state; a bank, trust
27 company, savings bank and institution, savings and loan

1 association, investment company, or other person carrying on a
2 banking business; an insurance company, insurance association, or
3 other person carrying on an insurance business; or an executor,
4 administrator, guardian, trustee, or other fiduciary may legally
5 invest funds belonging to them or within their control in bonds
6 or notes issued under this act, and authority bonds or notes
7 shall be authorized security for public deposits.

8 Sec. 20. (1) The Michigan alternative energy technology
9 fund is created under the jurisdiction and control of the author-
10 ity and may be administered for the general operations of the
11 authority and to secure any notes and bonds of the authority.

12 (2) The authority may receive money or other assets from any
13 source for deposit into the fund. The authority shall credit to
14 the fund interest and earnings from fund investments.

15 (3) Money in the fund at the close of the fiscal year shall
16 remain in the fund and shall not lapse to any other fund.

17 (4) The authority shall expend money from the fund only for
18 the purposes provided in this act.

19 (5) The authority shall deposit into the fund all money it
20 receives from the sale, transfer, or lease of property under this
21 act. The authority shall credit to the fund the proceeds of the
22 sale of notes or bonds to the extent provided for in the autho-
23 rizing resolution of the authority and any other money made
24 available to the authority for the purposes of the fund.

25 (6) If at any time the fund has been exhausted, the author-
26 ity on or before September 1 shall certify to the governor the
27 amount necessary to restore the fund to an amount equal to the

1 payment of principal and interest of notes or bonds, for the
2 purchase redemption of the notes or bonds, or for the payment of
3 a redemption premium required to be paid when the notes or bonds
4 are redeemed before maturity. The governor shall include in his
5 or her annual budget the amount certified under this subsection
6 by the authority.

7 Sec. 21. The authority created under this act shall be
8 exempt from and shall not be required to pay taxes on property,
9 both real and personal, belonging to the authority, which is used
10 for a public purpose. Property of the authority is public prop-
11 erty devoted to an essential public and governmental function and
12 purpose. The authority's income and operation, including bonds
13 or notes issued by the authority or the interest and income
14 derived from the bonds or notes, are exempt from all taxes and
15 special assessments of this state or a political subdivision of
16 this state.

17 Sec. 22. (1) There is transferred to the authority, without
18 consideration, certain parcels of state owned property located in
19 York township, Washtenaw county, Michigan, and further described
20 as follows:

21 (a) Parcel #1: All of section 2, t4s, r6e, washtenaw
22 county, Michigan, lying westerly of interstate highway us-23
23 except a parcel of land and buildings in the northeast 1/4 of
24 section 2, t4s, r6e, york township, washtenaw county, Michigan,
25 more particularly described as follows: commencing at the north
26 1/4 post of section 2; thence north 88 degrees 33'30" east 350.00
27 feet along the north line of section 2; thence south 01 degrees

1 26'30" east 380.00 feet; thence south 88 degrees 33'30" west
2 370.00 feet; thence north 01 degrees 26' 30" west 380.00 feet to
3 the point of beginning; containing 3.23 acres of land, more or
4 less. The above described parcel contains approximately 450
5 acres, subject to survey.

6 (b) Parcel #2: the east 1/2 of section 3, t4s, r6e, wash-
7 tenaw county, Michigan, except the north 1/2 of the northeast 1/4
8 of said section 3, containing approximately 300 acres, subject to
9 survey.

10 (c) Parcel #3: the northwest 1/4 of section 3, t4n, r6e,
11 washtenaw county, Michigan lying easterly of the conrail rail-
12 road, containing approximately 40 acres, subject to survey.

13 (d) Parcel #4: beginning at the north 1/4 corner of section
14 11, t4s, r6e, washtenaw county, Michigan, thence south 89 degrees
15 49' 45" west 1,485.77 feet, on the north line of said section 11;
16 thence south 01 degrees 32' 29" east 948.23 feet; thence north 89
17 degrees 49' 45" east 490.01 feet; thence north 01 degrees 32' 29"
18 west 239.65 feet; thence north 89 degrees 49' 45" east 998.63
19 feet, to the north-south 1/4 line of said section 11; thence
20 north 01 degrees 46' 23" west 708.65 feet, on said north-south
21 1/4 line to the point of beginning; containing 26.88 acres, more
22 or less, subject to survey.

23 (2) The descriptions of the parcels in subsection (1) are
24 approximate and for purposes of transfer are subject to adjust-
25 ments as the state administrative board or the attorney general
26 considers necessary by survey or other legal description. These

1 parcels of land are subject to any easements, rights-of-way, or
2 restrictions existing at the time of transfer, if any.

3 Sec. 23. (1) Upon completion of the transfer described in
4 section 22, the authority, on behalf of this state and for the
5 purpose of promoting economic development and the purposes of the
6 authority, may convey for value as determined under section 24,
7 or may convey a leasehold in, any portion or all of the parcels
8 of property described in section 22.

9 (2) Any reuse or development of the property conveyed or
10 leased under this act shall be done by the authority in con-
11 formance with a plan developed by the authority. The authority
12 may enter into an agreement with a state university governed by a
13 control board under section 4 of article VIII of the state con-
14 stitution of 1963, a local unit of government, a governmental
15 agency, or a nonprofit corporation to create this plan or develop
16 the property conveyed. The plan shall create potential uses for
17 the property that further the economic goals for this state,
18 including, but not limited to, an alternative energy technology
19 research and development park, an alternative energy technology
20 manufacturing park, mixed-use office complexes, and related
21 infrastructure.

22 Sec. 24. (1) Notwithstanding any other provisions to the
23 contrary, value shall be determined by the authority under sec-
24 tion 22 based on the property's highest and best use in accord-
25 ance with the plan described in section 23 and the purposes of
26 the authority. The authority may, on terms and conditions, and
27 in a manner for consideration the authority considers proper,

1 fair, and valuable, including for no monetary consideration,
2 convey, sell, transfer, exchange, lease as lessor, or otherwise
3 dispose of property or rights or interests in property in which
4 the authority holds a legal interest to any public or private
5 person for the specific purpose of fulfilling this act.

6 Consideration received from any conveyance of the authority's
7 real or personal property shall be deposited in the fund created
8 under section 20 of this act.

9 (2) Any conveyance of the property described in this act
10 shall provide for all of the following:

11 (a) That the property shall be used for public purposes or
12 to further the public purposes of this act, as determined by the
13 authority pursuant to the purposes in this act, and that upon
14 termination of that use or use for any other purpose, the author-
15 ity may reenter and repossess the property, terminating the
16 grantee's estate in the property.

17 (b) That any subsequent conveyance by the grantee or the
18 grantee's successor(s) shall also be subject to the "exclusive
19 use" and right of reentry and possession provisions of subdivi-
20 sion (a).

21 (c) That if the grantee or the grantee's successor disputes
22 the authority's exercise of its rights of reentry and possession
23 and fails to promptly deliver possession of the property to this
24 state, the attorney general, on behalf of this state, may bring
25 an action to quiet title to, and regain possession of, the
26 property.

1 (3) A conveyance authorized under this act shall be by
2 quitclaim deed approved by the attorney general and shall convey
3 all rights held by the state to coal, oil, gas, and other miner-
4 als found on or under the property conveyed.

5 (4) Except as otherwise provided in this act, or as the
6 authority otherwise agrees, any proceeds received by the author-
7 ity may be retained by the authority for the purposes of this
8 act.

9 Sec. 25. This act shall be construed liberally to effectu-
10 ate the legislative intent and its purposes. All powers granted
11 shall be cumulative and not exclusive and shall be broadly inter-
12 preted to effectuate the intent and purposes and not as a limita-
13 tion of powers.