

# HOUSE BILL No. 6694

November 30, 2006, Introduced by Rep. Hildenbrand and referred to the Committee on Local Government and Urban Policy.

A bill to amend 2001 PA 34, entitled  
"Revised municipal finance act,"  
by amending section 103 (MCL 141.2103) and by adding section 518.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 103. As used in this act:

2       (a) "Assessed value", "assessed valuation", "valuation as  
3       assessed", and "valuation as shown by the last preceding tax  
4       assessment roll", or similar terms, used in this act, any statute,  
5       or charter as a basis for computing limitations upon the taxing or  
6       borrowing power of any municipality, mean the state equalized  
7       valuation as determined under the general property tax act, 1893 PA  
8       206, MCL 211.1 to 211.157.

1 (b) "Chief administrative officer" means that term as defined  
2 in section 2b of the uniform budgeting and accounting act, 1968 PA  
3 2, MCL 141.422b.

4 (c) "Debt" means all borrowed money, loans, and other  
5 indebtedness, including principal and interest, evidenced by bonds,  
6 obligations, refunding obligations, notes, contracts, securities,  
7 refunding securities, municipal securities, or certificates of  
8 indebtedness that are lawfully issued or assumed, in whole or in  
9 part, by a municipality, or will be evidenced by a judgment or  
10 decree against the municipality.

11 (d) "Debt retirement fund" means a segregated account or group  
12 of accounts used to account for the payment of, interest on, or  
13 principal and interest on a municipal security.

14 (e) "Deficit" means a situation for any fund of a municipality  
15 in which, at the end of a fiscal year, total expenditures,  
16 including an accrued deficit, exceeded total revenues for the  
17 fiscal year, including any surplus carried forward.

18 (f) "Department" means the department of treasury.

19 (g) "Fiscal year" means a 12-month period fixed by statute,  
20 charter, or ordinance, or if not so fixed, then as determined by  
21 the department.

22 (H) "FUND" MEANS A TRUST FUND OR OTHER PERMANENT FUND CREATED  
23 BY A COUNTY, CITY, VILLAGE, TOWNSHIP, SCHOOL DISTRICT, INTERMEDIATE  
24 SCHOOL DISTRICT OR COMMUNITY COLLEGE DISTRICT, OR PUBLIC EMPLOYEE  
25 RETIREMENT SYSTEM OR PUBLIC EMPLOYEE POSTEMPLOYMENT BENEFIT SYSTEM  
26 AND USED TO PROVIDE RETIREMENT OR POSTEMPLOYMENT BENEFITS TO  
27 BENEFICIARIES AND PARTICIPANTS.

(I) ~~—(h)—~~ "Governing body" means the county board of commissioners of a county; the township board of a township; the council, common council, or commission of a city; the council, commission, or board of trustees of a village; the board of education or district board of a school district; the board of an intermediate school district; the board of trustees of a community college district; the county drain commissioner or drainage board of a drainage district; the board of the district library; the legislative body of a metropolitan district; the port commission of a port district; and, in the case of another governmental authority or agency, that official or official body having general governing powers over the authority or agency.

(J) ~~—(i)—~~ "Municipal security" means a security that when issued was not exempt from this act or ~~the municipal finance act,~~ **FORMER** 1943 PA 202, ~~MCL 131.1 to 139.3,~~ by the provisions of this act or by the provisions of ~~the municipal finance act,~~ **FORMER** 1943 PA 202, ~~MCL 131.1 to 139.3,~~ or by the provisions of the law authorizing its issuance and that is payable from or secured by any of the following:

(i) Ad valorem real and personal property taxes.

(ii) Special assessments.

(iii) The limited or unlimited full faith and credit pledge of the municipality.

(iv) Other sources of revenue described in this act for debt or securities authorized by this act.

(K) ~~—(j)—~~ "Municipality" means a county, township, city, village, school district, intermediate school district, community

1 college district, metropolitan district, port district, drainage  
2 district, district library, or another governmental authority or  
3 agency in this state that has the power to issue a security.

4 Municipality does not include this state or any authority, agency,  
5 fund, commission, board, or department of this state.

6 (I) ~~—(k)—~~ "Outstanding security" means a security that has been  
7 issued, but not defeased or repaid, including a security that when  
8 issued was exempt from this act or ~~the municipal finance act,~~  
9 **FORMER** 1943 PA 202, ~~MCL 131.1 to 139.3,~~ by the provisions of this  
10 act or by the provisions of ~~the municipal finance act,~~ **FORMER**  
11 1943 PA 202, ~~MCL 131.1 to 139.3,~~ or by the provisions of the law  
12 authorizing its issuance.

13 (M) "PUBLIC EMPLOYEE POSTEMPLOYMENT BENEFIT SYSTEM" MEANS A  
14 POSTEMPLOYMENT BENEFIT SYSTEM CREATED AND ESTABLISHED BY A COUNTY,  
15 CITY, VILLAGE, TOWNSHIP, SCHOOL DISTRICT, INTERMEDIATE SCHOOL  
16 DISTRICT, OR COMMUNITY COLLEGE DISTRICT.

17 (N) "PUBLIC EMPLOYEE RETIREMENT SYSTEM" MEANS A RETIREMENT  
18 SYSTEM CREATED AND ESTABLISHED BY A COUNTY, CITY, VILLAGE,  
19 TOWNSHIP, SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR  
20 COMMUNITY COLLEGE DISTRICT.

21 (O) ~~—(l)—~~ "Qualified status" means a municipality that has  
22 filed a qualifying statement under section 303 and has been  
23 determined by the department to be qualified to issue municipal  
24 securities without further approval by the department.

25 (P) ~~—(m)—~~ "Refunding security" means a municipal security  
26 issued to refund an outstanding security.

27 (Q) ~~—(n)—~~ "Security" means an evidence of debt such as a bond,

1 note, contract, obligation, refunding obligation, certificate of  
2 indebtedness, or other similar instrument issued by a municipality,  
3 which pledges payment of the debt by the municipality from an  
4 identified source of revenue.

5 (R) ~~—(e)—~~ "Sinking fund" means a fund for the payment of  
6 principal only of a mandatory redemption security.

7 (S) ~~—(p)—~~ "Taxable value" means the taxable value of the  
8 property as determined under section 27a of the general property  
9 tax act, 1893 PA 206, MCL 211.27a.

10 (T) "UNFUNDED ACTUARIAL LIABILITY" MEANS THE AMOUNT BY WHICH A  
11 FUND IS SHORT OF THE AMOUNT THAT WILL BE NECESSARY, COMPUTED IN  
12 ACCORDANCE WITH THE STANDARDS OF PRACTICE PROMULGATED BY THE  
13 ACTUARIAL STANDARDS BOARD OF THE AMERICAN ACADEMY OF ACTUARIES,  
14 WITHOUT FURTHER PAYMENTS INTO THE FUND, TO PAY RETIREMENT OR OTHER  
15 POSTEMPLOYMENT BENEFITS TO BENEFICIARIES AND PARTICIPANTS OF A  
16 PUBLIC EMPLOYEE RETIREMENT SYSTEM OR A PUBLIC EMPLOYEE  
17 POSTEMPLOYMENT BENEFIT SYSTEM.

18 SEC. 518. (1) A COUNTY, CITY, VILLAGE, TOWNSHIP, SCHOOL  
19 DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR COMMUNITY COLLEGE  
20 DISTRICT MAY BY RESOLUTION OF ITS GOVERNING BODY, AND WITHOUT A  
21 VOTE OF ITS ELECTORS, ISSUE A MUNICIPAL SECURITY UNDER THIS SECTION  
22 SECURED BY THE FULL FAITH AND CREDIT OF SUCH COUNTY, CITY, VILLAGE,  
23 TOWNSHIP, SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR  
24 COMMUNITY COLLEGE DISTRICT TO PAY THE COSTS OF THE UNFUNDED  
25 ACTUARIAL LIABILITY OF A PUBLIC EMPLOYEE RETIREMENT SYSTEM PENSION  
26 PLAN OF THE COUNTY, CITY, VILLAGE, TOWNSHIP, SCHOOL DISTRICT,  
27 INTERMEDIATE SCHOOL DISTRICT, OR COMMUNITY COLLEGE DISTRICT OR THE

1 UNFUNDED ACTUARIAL LIABILITY OF OTHER ACTUARIALLY BASED  
2 POSTEMPLOYMENT BENEFITS SUCH AS HEALTH BENEFITS, INCLUDING, BUT NOT  
3 LIMITED TO, MEDICAL, DENTAL, VISION, AND OTHER HEALTH-RELATED  
4 BENEFITS OF A PUBLIC EMPLOYEE RETIREMENT SYSTEM OR PUBLIC EMPLOYEE  
5 POSTEMPLOYMENT BENEFIT SYSTEM OF THE COUNTY, CITY, VILLAGE,  
6 TOWNSHIP, SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR  
7 COMMUNITY COLLEGE DISTRICT UNDER AGREEMENTS WITH THE COUNTY, CITY,  
8 VILLAGE, TOWNSHIP, SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT,  
9 OR COMMUNITY COLLEGE DISTRICT; PROVIDED THAT THE AMOUNT OF TAXES  
10 NECESSARY TO PAY THE PRINCIPAL AND INTEREST ON THAT MUNICIPAL  
11 SECURITY, TOGETHER WITH THE TAXES LEVIED FOR THE SAME YEAR, SHALL  
12 NOT EXCEED THE LIMIT AUTHORIZED BY LAW. POSTEMPLOYMENT BENEFITS MAY  
13 BE FUNDED BY THE COUNTY, CITY, VILLAGE, TOWNSHIP, SCHOOL DISTRICT,  
14 INTERMEDIATE SCHOOL DISTRICT, OR COMMUNITY COLLEGE DISTRICT,  
15 NOTWITHSTANDING THE FACT THAT THE COUNTY, CITY, VILLAGE, TOWNSHIP,  
16 SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR COMMUNITY COLLEGE  
17 DISTRICT HAS NO LEGAL OBLIGATION TO PAY THE BENEFITS OR HAS THE  
18 RIGHT TO ALTER OR ELIMINATE THE PAYMENT OF THOSE BENEFITS. THE  
19 FUNDING OF POSTEMPLOYMENT BENEFITS BY A COUNTY, CITY, VILLAGE,  
20 TOWNSHIP, SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR  
21 COMMUNITY COLLEGE DISTRICT AS PROVIDED IN THIS ACT SHALL NOT  
22 CONSTITUTE A CONTRACT TO PAY THE POSTEMPLOYMENT BENEFITS.

23 (2) BEFORE A COUNTY, CITY, VILLAGE, TOWNSHIP, SCHOOL DISTRICT,  
24 INTERMEDIATE SCHOOL DISTRICT, OR COMMUNITY COLLEGE DISTRICT ISSUES  
25 A MUNICIPAL SECURITY UNDER SUBSECTION (1), THE COUNTY, CITY,  
26 VILLAGE, TOWNSHIP, SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT,  
27 OR COMMUNITY COLLEGE DISTRICT SHALL PUBLISH A NOTICE OF INTENT TO

1    ISSUE THE MUNICIPAL SECURITY. THE NOTICE OF INTENT SHALL BE  
2    DIRECTED TO THE ELECTORS OF THE COUNTY, CITY, VILLAGE, TOWNSHIP,  
3    SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR COMMUNITY COLLEGE  
4    DISTRICT, SHALL BE PUBLISHED IN A NEWSPAPER THAT HAS GENERAL  
5    CIRCULATION IN THE COUNTY, CITY, VILLAGE, TOWNSHIP, SCHOOL  
6    DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR COMMUNITY COLLEGE  
7    DISTRICT, AND SHALL STATE THE MAXIMUM AMOUNT OF MUNICIPAL  
8    SECURITIES TO BE ISSUED; THE PURPOSE OF THE MUNICIPAL SECURITIES;  
9    THE SOURCE OF PAYMENT; THE RIGHT OF REFERENDUM ON THE ISSUANCE OF  
10   THE MUNICIPAL SECURITIES; AND ANY OTHER INFORMATION THE COUNTY,  
11   CITY, VILLAGE, TOWNSHIP, SCHOOL DISTRICT, INTERMEDIATE SCHOOL  
12   DISTRICT, OR COMMUNITY COLLEGE DISTRICT DETERMINES NECESSARY TO  
13   ADEQUATELY INFORM THE ELECTORS OF THE NATURE OF THE ISSUE. THE  
14   NOTICE OF INTENT SHALL NOT BE LESS THAN 1/4 PAGE IN SIZE IN THE  
15   NEWSPAPER. IF, WITHIN 45 DAYS OF THE PUBLICATION OF THE NOTICE OF  
16   INTENT, A PETITION, SIGNED BY NOT LESS THAN 10% OR 15,000 OF THE  
17   REGISTERED ELECTORS, WHICHEVER IS LESS, RESIDING WITHIN THE COUNTY,  
18   CITY, VILLAGE, TOWNSHIP, SCHOOL DISTRICT, INTERMEDIATE SCHOOL  
19   DISTRICT, OR COMMUNITY COLLEGE DISTRICT, IS FILED WITH THE  
20   GOVERNING BODY OF THE COUNTY, CITY, VILLAGE, TOWNSHIP, SCHOOL  
21   DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR COMMUNITY COLLEGE  
22   DISTRICT, REQUESTING A REFERENDUM ON THE QUESTION OF THE ISSUANCE  
23   OF THE MUNICIPAL SECURITIES, THEN THE COUNTY, CITY, VILLAGE,  
24   TOWNSHIP, SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR  
25   COMMUNITY COLLEGE DISTRICT SHALL NOT ISSUE THE MUNICIPAL SECURITIES  
26   UNTIL AUTHORIZED BY THE VOTE OF A MAJORITY OF THE ELECTORS OF THE  
27   COUNTY, CITY, VILLAGE, TOWNSHIP, SCHOOL DISTRICT, INTERMEDIATE

1 SCHOOL DISTRICT, OR COMMUNITY COLLEGE DISTRICT QUALIFIED TO VOTE  
2 AND VOTING ON THE QUESTION AT A GENERAL OR SPECIAL ELECTION. A  
3 SPECIAL ELECTION CALLED FOR THIS PURPOSE SHALL NOT BE INCLUDED IN A  
4 STATUTORY OR CHARTER LIMITATION AS TO THE NUMBER OF SPECIAL  
5 ELECTIONS TO BE CALLED WITHIN A PERIOD OF TIME. SIGNATURES ON THE  
6 PETITION SHALL BE VERIFIED BY A PERSON UNDER OATH AS THE ACTUAL  
7 SIGNATURES OF THE PERSONS WHOSE NAMES ARE SIGNED TO THE PETITION,  
8 AND THE GOVERNING BODY OF THE COUNTY, CITY, VILLAGE, TOWNSHIP,  
9 SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR COMMUNITY COLLEGE  
10 DISTRICT SHALL HAVE THE SAME POWER TO REJECT SIGNATURES AND  
11 PETITIONS AS CITY CLERKS UNDER SECTION 25 OF THE HOME RULE CITY  
12 ACT, 1909 PA 279, MCL 117.25. THE NUMBER OF REGISTERED ELECTORS IN  
13 THE COUNTY, CITY, VILLAGE, TOWNSHIP, SCHOOL DISTRICT, INTERMEDIATE  
14 SCHOOL DISTRICT, OR COMMUNITY COLLEGE DISTRICT SHALL BE DETERMINED  
15 BY THE GOVERNING BODY OF THE COUNTY, CITY, VILLAGE, TOWNSHIP,  
16 SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR COMMUNITY COLLEGE  
17 DISTRICT.

18 (3) BEFORE A COUNTY, CITY, VILLAGE, TOWNSHIP, SCHOOL DISTRICT,  
19 INTERMEDIATE SCHOOL DISTRICT, OR COMMUNITY COLLEGE DISTRICT ISSUES  
20 MUNICIPAL SECURITIES UNDER SUBSECTION (1), THE COUNTY, CITY,  
21 VILLAGE, TOWNSHIP, SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT,  
22 OR COMMUNITY COLLEGE DISTRICT SHALL HAVE PREPARED A COMPREHENSIVE  
23 PLAN OF FINANCE INDICATING ITS ABILITY TO MANAGE ITS UNFUNDED  
24 ACTUARIAL LIABILITY. THE COMPREHENSIVE PLAN OF FINANCE SHALL  
25 INCLUDE ALL OF THE FOLLOWING:

26 (A) DOCUMENTATION THAT CONTRIBUTED FUNDS FROM PROCEEDS OF  
27 ISSUED MUNICIPAL SECURITIES AND ANNUAL REQUIRED CONTRIBUTIONS WILL



1 BE ADEQUATE TO MEET THE LEVEL OF BENEFITS PROVIDED.

2 (B) AN AMORTIZATION OF UNFUNDED LIABILITIES AND A DESCRIPTION  
3 OF ACTIONS TO ACCOMPLISH THE AMORTIZATION.

4 (C) A DESCRIPTION AND EXPLANATION OF ANY AND ALL ACTUARIAL  
5 ASSUMPTIONS.

6 (D) A SCHEDULE ILLUSTRATING THE AMORTIZATION OF ANY UNFUNDED  
7 LIABILITIES.

8 (E) A COMPARATIVE REVIEW ILLUSTRATING THE LEVEL OF FUNDS  
9 AVAILABLE TO THE PLAN FROM RATES, INVESTMENT INCOME, AND OTHER  
10 SOURCES REALIZED OVER THE PERIOD COVERED BY THE PLAN WITH THE  
11 ASSUMPTIONS USED.

12 (F) A STATEMENT CERTIFIED BY AN ACTUARY WITHIN 36 MONTHS PRIOR  
13 TO THE ISSUANCE DATE OF THE MUNICIPAL SECURITIES THAT THE PLAN IS  
14 COMPLETE AND ACCURATE.

15 (G) DEMONSTRATION THAT THE ISSUANCE OF THE MUNICIPAL  
16 SECURITIES WILL RESULT IN A PROJECTED PRESENT VALUE SAVINGS BASED  
17 ON THE AMORTIZATION SCHEDULE DISCOUNTED AT THE TRUE INTEREST COST  
18 OF THE TOTAL AMOUNT BORROWED WHEN COMPARED TO THE ACTUARIAL  
19 ASSUMPTION RELATED TO THE RATE OF RETURN ON PLAN ASSETS.

20 (4) MUNICIPAL SECURITIES ISSUED UNDER SUBSECTION (1) BY A  
21 COUNTY, CITY, VILLAGE, TOWNSHIP, SCHOOL DISTRICT, INTERMEDIATE  
22 SCHOOL DISTRICT, OR COMMUNITY COLLEGE DISTRICT ARE NOT SUBJECT TO  
23 SECTION 503 OF THIS ACT.

24 (5) MUNICIPAL SECURITIES ISSUED UNDER SUBSECTION (1) BY A  
25 COUNTY, CITY, VILLAGE, TOWNSHIP, SCHOOL DISTRICT, INTERMEDIATE  
26 SCHOOL DISTRICT, OR COMMUNITY COLLEGE DISTRICT SHALL HAVE A MAXIMUM  
27 TERM OF 30 YEARS AS DETERMINED BY THE COUNTY, CITY, VILLAGE,

1 TOWNSHIP, SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR  
2 COMMUNITY COLLEGE DISTRICT.

3 (6) MUNICIPAL SECURITIES ISSUED UNDER SUBSECTION (1) BY A  
4 COUNTY, CITY, VILLAGE, TOWNSHIP, SCHOOL DISTRICT, INTERMEDIATE  
5 SCHOOL DISTRICT, OR COMMUNITY COLLEGE DISTRICT SHALL HAVE BEEN  
6 ASSIGNED AN INVESTMENT GRADE BY AT LEAST 1 NATIONALLY RECOGNIZED  
7 RATING AGENCY.

8 (7) MUNICIPAL SECURITIES ISSUED UNDER SUBSECTION (1) BY A  
9 COUNTY, CITY, VILLAGE, TOWNSHIP, SCHOOL DISTRICT, INTERMEDIATE  
10 SCHOOL DISTRICT, OR COMMUNITY COLLEGE DISTRICT, AND CURRENTLY  
11 OUTSTANDING, SHALL NOT EXCEED 5% OF THE STATE EQUALIZED VALUATION  
12 OF THE PROPERTY ASSESSED IN THAT COUNTY, CITY, VILLAGE, TOWNSHIP,  
13 SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR COMMUNITY COLLEGE  
14 DISTRICT.

15 (8) NOTWITHSTANDING ANY OTHER PROVISIONS OF THIS ACT, UP TO  
16 50% OF THE PRINCIPAL AMOUNT OF ANY MUNICIPAL SECURITY ISSUED UNDER  
17 SUBSECTION (1) BY A COUNTY, CITY, VILLAGE, TOWNSHIP, SCHOOL  
18 DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR COMMUNITY COLLEGE  
19 DISTRICT MAY BE SOLD AT A DISCOUNT EXCEEDING 10%.

20 (9) A MUNICIPAL SECURITY ISSUED UNDER SUBSECTION (1) BY A  
21 COUNTY, CITY, VILLAGE, TOWNSHIP, SCHOOL DISTRICT, INTERMEDIATE  
22 SCHOOL DISTRICT, OR COMMUNITY COLLEGE DISTRICT MAY MATURE ANNUALLY  
23 OR BE SUBJECT TO MANDATORY REDEMPTION REQUIREMENTS, WITH THE FIRST  
24 ANNUAL MATURITY OR MANDATORY REDEMPTION REQUIREMENT TO FALL DUE 5  
25 YEARS OR LESS FROM THE DATE OF ISSUANCE AND SOME PRINCIPAL AMOUNT  
26 SHALL MATURE OR BE SUBJECT TO MANDATORY REDEMPTION IN EACH  
27 SUBSEQUENT YEAR OF THE TERM OF THE MUNICIPAL SECURITY.

1           (10) MUNICIPAL SECURITIES ISSUED UNDER SUBSECTION (1) BY A  
2 COUNTY, CITY, VILLAGE, TOWNSHIP, SCHOOL DISTRICT, INTERMEDIATE  
3 SCHOOL DISTRICT, OR COMMUNITY COLLEGE DISTRICT SHALL NOT ON A  
4 CUMULATIVE BASIS EXCEED 75% OF CURRENT UNFUNDED ACTUARIAL  
5 LIABILITIES OF SUCH COUNTY, CITY, VILLAGE, TOWNSHIP, SCHOOL  
6 DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR COMMUNITY COLLEGE  
7 DISTRICT.

8           (11) A COUNTY, CITY, VILLAGE, TOWNSHIP, SCHOOL DISTRICT,  
9 INTERMEDIATE SCHOOL DISTRICT, OR COMMUNITY COLLEGE DISTRICT ISSUING  
10 MUNICIPAL SECURITIES UNDER SUBSECTION (1) MAY ENTER INTO INDENTURES  
11 OR OTHER AGREEMENTS WITH TRUSTEES AND ESCROW AGENTS FOR THE  
12 ISSUANCE, ADMINISTRATION, OR PAYMENT OF THE MUNICIPAL SECURITIES.

13           (12) PROCEEDS OF MUNICIPAL SECURITIES ISSUED UNDER SUBSECTION  
14 (1) BY A COUNTY, CITY, VILLAGE, TOWNSHIP, SCHOOL DISTRICT,  
15 INTERMEDIATE SCHOOL DISTRICT, OR COMMUNITY COLLEGE DISTRICT SHALL  
16 BE DEPOSITED IN A FUND UNDER THE TERMS AND CONDITIONS ESTABLISHED  
17 BY THE COUNTY, CITY, VILLAGE, TOWNSHIP, SCHOOL DISTRICT,  
18 INTERMEDIATE SCHOOL DISTRICT, OR COMMUNITY COLLEGE DISTRICT AND  
19 SHALL BE DISBURSED AS DIRECTED BY THE COUNTY, CITY, VILLAGE,  
20 TOWNSHIP, SCHOOL DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR  
21 COMMUNITY COLLEGE DISTRICT. THE MONEY IN THE FUND SHALL BE INVESTED  
22 AS DIRECTED BY THE COUNTY, CITY, VILLAGE, TOWNSHIP, SCHOOL  
23 DISTRICT, INTERMEDIATE SCHOOL DISTRICT, OR COMMUNITY COLLEGE  
24 DISTRICT IN INVESTMENTS ALLOWED UNDER THE PUBLIC EMPLOYEE  
25 RETIREMENT SYSTEM INVESTMENT ACT, 1965 PA 314, MCL 38.1132 TO  
26 38.1140M.