

HOUSE BILL No. 4545

March 10, 2009, Introduced by Rep. Smith and referred to the Committee on Commerce.

A bill to amend 1963 PA 62, entitled
"Industrial development revenue bond act of 1963,"
by amending section 3 (MCL 125.1253).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 3. (1) A municipality may:

2 (a) Construct, acquire by gift or purchase, reconstruct,
3 improve, maintain or repair industrial buildings within or without
4 the municipality, acquire sites for those activities, and enlarge
5 or remodel industrial buildings.

6 (b) Acquire by gift or purchase industrial machinery and
7 equipment, but only in conjunction with a project whereby the
8 municipality will construct, acquire by gift or purchase,
9 reconstruct, improve, or remodel the industrial building in or near

1 which the industrial machinery or equipment will be located.

2 (c) Issue revenue bonds to finance the costs of the
3 acquisition, purchase, construction, reconstruction, or remodeling
4 of industrial buildings, the acquisition and improvement of sites,
5 the acquisition of industrial machinery and equipment, and the
6 refunding of bonds issued pursuant to this act.

7 (d) Enter into lease or lease purchase agreements with any
8 person, firm or corporation for the use of the industrial building,
9 the site therefor and industrial machinery and equipment. The
10 agreement shall provide that the rents to be charged for the use
11 shall be fixed and revised from time to time so as to produce
12 income and revenues sufficient to pay promptly when due the
13 interest upon and the principal of all bonds issued payable
14 therefrom after provision has been made for the payment of
15 operation and maintenance costs. Whenever such agreement shall
16 relate to industrial machinery or equipment, it shall specify that
17 the machinery or equipment shall remain in or near the industrial
18 building until provision has been made for the retirement in full
19 of all bonds issued therefor unless the industrial machinery and
20 equipment is replaced without cost to the municipality with similar
21 machinery and equipment of equivalent value and utility.

22 (e) Mortgage the industrial building, the site, and any
23 industrial machinery and equipment in favor of the holders of the
24 bonds issued therefor.

25 (f) Sell and convey the industrial building, the site, and any
26 industrial machinery and equipment, including without limitation
27 the sale and conveyance thereof subject to a mortgage, for a price

1 and at a time ~~which~~**THAT** the governing body may determine, but a
2 sale or conveyance shall not be made in a manner that would impair
3 the rights or interests of the holders of bonds issued payable from
4 the rentals of the building, site, machinery or equipment.

5 (2) BEGINNING JANUARY 1, 2010, A MUNICIPALITY SHALL NOT ENTER
6 INTO AN AGREEMENT WITH A BUSINESS UNDER THIS ACT THAT HAS FAILED TO
7 COMPLY WITH SECTION 3 OF THE MICHIGAN CORPORATE RESPONSIBILITY ACT
8 OR THAT HAS FAILED TO DISCLOSE A CIVIL OR CRIMINAL OFFENSE AS
9 REQUIRED BY SECTION 3 OF THE MICHIGAN CORPORATE RESPONSIBILITY ACT.