

# HOUSE BILL NO. 6405

November 12, 2020, Introduced by Reps. Meerman and Steven Johnson and referred to the Committee on Government Operations.

A bill to amend 1976 PA 448, entitled  
"Michigan energy employment act of 1976,"  
by amending section 42 (MCL 460.842), as amended by 2002 PA 358.

## **THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

**1** Sec. 42. (1) A joint agency may issue bonds to pay all or part  
**2** of project costs of the joint agency. The bonds ~~shall be~~ **are**  
**3** payable from and may be issued in anticipation of payment of the  
**4** proceeds of any of the methods of financing described in section 41

1 or elsewhere in this act or as may be provided by law. A member  
2 municipality of the joint agency may contract as provided in  
3 section 43 or may contract to make payments, appropriations, or  
4 contributions to the joint agency of the proceeds of taxes, special  
5 assessments, or charges imposed and collected by the member  
6 municipality or out of other funds legally available, and may  
7 pledge its full faith and credit in support of its contractual  
8 obligation to the joint agency. The contractual obligation ~~shall~~  
9 **does** not constitute an indebtedness of the municipality within a  
10 statutory or charter debt limitation. If the joint agency issues  
11 bonds in anticipation of payments, appropriations, or contributions  
12 to be made to the joint agency pursuant to contract by a political  
13 subdivision having the power to levy and collect ad valorem taxes,  
14 the political subdivision may obligate itself by the contract, and  
15 thereupon may levy a tax on all taxable property within the  
16 political subdivision, which tax as to rate or amount will not be  
17 subject to limitation, as provided in section 6 of article IX of  
18 the state constitution of 1963, for contract obligations in  
19 anticipation of which bonds are issued to provide sufficient money  
20 to fulfill its contractual obligation to the joint agency. The  
21 contract is not subject to the revised municipal finance act, 2001  
22 PA 34, MCL 141.2101 to 141.2821.

23 (2) The bonds may be:

24 (a) Issued for any period of years not exceeding 50.

25 (b) Issued for a consideration other than cash.

26 (c) For an amount that includes interest capitalized for a  
27 period of not more than 10 years after the date of the bonds.

28 (d) Secured by revenues, contract payments, funds, or  
29 investments and securities as determined by the joint agency.

(3) The resolution authorizing bonds may provide for the appointment of 1 or more trustees for bondholders and a trustee may be an individual or corporation domiciled or located within or without this state and may be given appropriate powers whether with or without the execution of an indenture.

(4) Bonds issued by any joint agency under this act are subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

(5) A municipality or governmental unit may advance money or deliver property to the joint agency to enable it to carry out or finance any of its powers and duties. The joint agency may agree to repay an advance or pay for the property within a period of not more than 10 years, from the proceeds of its bonds or from other funds legally available for that purpose, with or without interest as may be agreed at the time of the advance or delivery. The obligation of the joint agency to make the repayment or payment may be evidenced by contract or note, which contract or note may pledge a source of payment determined by the joint agency.

(6) A municipality desiring to enter into a contract under this section pledging the full faith and credit of the municipality shall authorize, by resolution of its governing body, the execution of the contract. ~~Subsequent~~ **Before January 1, 2022, subsequent** to the adoption of the resolution **the municipality shall publish** a notice of the contract ~~shall be published~~ in a newspaper of general publication in the municipality. ~~, which~~ **Beginning January 1, 2022, subsequent to the adoption of the resolution a notice of the contract must be posted by the municipality as provided in the local government public notice act. The notice shall must state all of the following:**

1 (a) That the governing body has adopted a resolution  
2 authorizing execution of the contract.

3 (b) The purpose of the contract.

4 (c) The source of payment of the municipality's contractual  
5 obligation.

6 (d) The right of referendum on the contract.

7 (e) Any other information that the governing body determines  
8 to be necessary to adequately inform all interested persons of the  
9 nature of the obligation.

10 (7) The contract may be executed and delivered by the  
11 municipality upon approval by its governing body without a vote of  
12 the electors, but the contract ~~shall~~**does** not become effective  
13 until the expiration of 45 days after the date ~~of publication of~~  
14 the notice **under subsection (6)**. If within the 45-day period a  
15 petition signed by at least 10% or 15,000, whichever is the lesser,  
16 of the registered electors residing within the limits of the  
17 municipality is filed with the clerk of the municipality requesting  
18 a referendum upon the contract, the contract ~~shall~~**does** not become  
19 effective until approved by the vote of a majority of the electors  
20 of the municipality qualified to vote and voting on the question at  
21 a general or special election, which election ~~shall~~**must** be held  
22 within 180 days after the filing of a petition. When a contract  
23 described in this section is to be entered into by any township  
24 only on behalf of the unincorporated area of the township, only the  
25 registered electors residing within the unincorporated area of the  
26 township ~~shall be~~**are** qualified to sign the petition and vote at  
27 the election.

28 Enacting section 1. This amendatory act does not take effect  
29 unless Senate Bill No. \_\_\_\_ or House Bill No. 6440 (request no.

**1** 02449'19) of the 100th Legislature is enacted into law.