

MICHIGAN TOBACCO SETTLEMENT FINANCE AUTHORITY ACT (EXCERPT)
Act 226 of 2005

129.266 Board of directors; membership; terms; vacancy; compensation; reimbursement; chairperson; quorum; vote; agents and employees; discharge of duties by member, officer, employee, or agent; independent public financial advisor.

Sec. 6.

(1) The authority shall exercise its duties through its board of directors.

(2) The board shall be made up of 7 members as follows:

(a) The state treasurer.

(b) The director of the department of labor and economic growth.

(c) Three members with knowledge, skill, or experience in the business or financial fields appointed by the governor with the advice and consent of the senate.

(d) One member appointed by the governor from a list of 2 or more individuals selected by the majority leader of the senate, with knowledge, skill, or experience in the business or financial fields.

(e) One member appointed by the governor from a list of 2 or more individuals selected by the speaker of the house of representatives, with knowledge, skill, or experience in the business or financial fields.

(3) The appointed members shall serve for terms of 4 years. Of the 3 members first appointed, 1 shall be appointed for an initial term of 1 year, 1 shall be appointed for an initial term of 2 years, and 1 shall be appointed for an initial term of 3 years. The appointed members shall serve until a successor is appointed. A vacancy shall be filled for the balance of the unexpired term in the same manner as the original appointment.

(4) The chief executive officer or director of any state department or agency who is a designated member of the board may appoint a representative to serve in his or her absence.

(5) Members of the board shall serve without compensation but may receive reasonable reimbursement for necessary travel and expenses incurred in the discharge of their duties.

(6) The state treasurer shall serve as chairperson of the board.

(7) A majority of the appointed and serving members of the board shall constitute a quorum of the board for the transaction of business. A member may participate in a meeting by the use of amplified telephonic or video conferencing equipment. A member participating by the use of video conferencing equipment shall be considered to be present for purposes of a quorum and for purposes of voting. Actions of the board shall be approved by a majority vote of the members present at a meeting.

(8) The authority may employ or contract for legal, financial, and technical experts, and other officers, agents, and employees, permanent and temporary, as the authority requires, and shall determine their qualifications, duties, and compensation. The board may delegate to 1 or more agents or employees those powers or duties with the limitations as the board considers proper.

(9) The members of the board and officers and employees of the authority are subject to 1968 PA 317, MCL 15.321 to 15.330, or 1968 PA 318, MCL 15.301 to 15.310.

(10) A member of the board or officer, employee, or agent of the authority shall discharge the duties of his or her position in a nonpartisan manner, with good faith, and with that degree of diligence, care, and skill that an ordinarily prudent person would exercise under similar circumstances in a like position. In discharging the duties, a member of the board or an officer, employee, or agent, when acting in good faith, may rely upon the opinion of counsel for the authority, upon the report of an independent appraiser selected with reasonable care by the board, or upon financial statements of the authority represented to the member of the board or officer, employee, or agent of the authority to be correct by the president or the officer of the authority having charge of its books or account, or stated in a written report by a certified public accountant or firm of certified public accountants fairly to reflect the financial condition of the authority.

(11) The board shall hire an independent public financial advisor to provide financial and investment advice regarding the authorization and issuance of bonds and other investment responsibilities of the board under this act. The duties of the independent public financial advisor shall include, but are not limited to, assisting the board in evaluating and selecting underwriters, brokerage firms, and other consultants as required to conduct the bond sale, conduct due diligence on prospective underwriters', brokerage firms', and other consultants' experience, history, and demonstrated adherence to ethical standards, and prepare recommendations based upon their due diligence. The independent public financial advisor shall have personal experience in asset-backed financing, have experience and the ability to ascertain the appropriateness of the pricing of the sales of the state's tobacco receipts, and be able to provide the board with independent financial advice. The independent public financial advisor shall not receive a commission, take down, or other remuneration from an underwriter, brokerage firm, or other consultant for the underwriting or sale of bonds that are secured by TSRs.

History: 2005, Act 226, Imd. Eff. Nov. 21, 2005

Compiler's Notes: For abolishment of board of directors of Michigan tobacco settlement finance authority, see E.R.O. No. 2010-2, compiled at MCL 12.194.