

FEDERAL BOND LIMITATIONS (EXCERPT)
Act 153 of 2010

125.1292 Consideration of bond limitation as deemed waiver; extension of final deadline for issuing bonds; reallocation.

Sec. 2.

(1) Except as otherwise provided in this section, unless prohibited by applicable federal law, the state treasurer may provide for the waiver, deemed waiver, or reallocation to the state of Michigan of any federal bond limitations specified in section 1 allocated to projects, municipalities, or other entities within this state. The state treasurer shall not consider any federal bond limitation specified in section 1 a deemed waiver before October 8, 2010.

(2) Subject to subsections (3) and (8), beginning October 8, 2010, the state treasurer may consider up to 2/3 of any bond limitation specified in section 1(a), (b), or (c) a deemed waiver unless the municipality or other entity that was allocated the bond limitation does all of the following:

(a) The municipality or other entity adopts a resolution describing the project and indicating the intent to issue bonds for the project.

(b) The municipality or other entity provides communications from a third party nationally recognized bond counsel attesting to the eligibility of the project.

(c) If applicable, the municipality or other entity provides communications from a third party that is responsible for payment of the bonds.

(3) Except as otherwise provided in subsection (8), if the final deadline for issuing bonds is extended by federal law enacted after the effective date of this act, then the state treasurer shall not consider any federal bond limitation specified under section 1(a) and (b) for which the deadline has been extended a deemed waiver prior to 180 days prior to the last day provided for issuing those bonds and may consider up to 2/3 of any federal bond limitation specified in section 1(a) and (b) a deemed waiver after 180 days prior to the deadline for issuing those bonds unless the municipality or other entity that was allocated the bond limitation does all of the following:

(a) The municipality or other entity adopts a resolution describing the project and indicating the intent to issue bonds for the project.

(b) The municipality or other entity provides communications from a third party nationally recognized bond counsel attesting to the eligibility of the project.

(c) If applicable, the municipality or other entity provides communications from a third party that is responsible for payment of the bonds.

(4) Subject to subsection (7), if a deemed waiver has occurred under subsection (1) prior to the enactment of any federal law to which the provisions of this section would otherwise apply, any deemed waiver amounts that have not been reallocated shall be returned to the municipality or other entity and the provisions of subsections (3), (5), and (6) shall apply to the reallocated amounts.

(5) A municipality or other entity to which a deemed waiver applies may obtain a reallocation of the amount deemed waived if it subsequently demonstrates a viable project to the state treasurer and the amount deemed waived remains available for allocation.

(6) The state treasurer shall make an effort to reallocate bond limitations that have been waived voluntarily before reallocating bond limitations that have been deemed waived under subsections (2) and (3).

(7) Except as otherwise provided in subsection (8), once a recovery zone facility bond limitation allocation has been deemed waived, regardless of whether the federal law establishing that bond limitation is extended, the state treasurer shall reallocate that bond limitation under this act.

(8) Notwithstanding any other provision of this section, if federal law provides that a municipality shall be treated as having waived any portion of an allocation made for bonds described under section 1(b) or (c) that has not been allocated to bonds issued before a date other than the date or dates specified in this section, then the state treasurer may reallocate those bond limitations that are treated as having been waived. However, the provisions of subsections (5) and (6) shall still apply.

History: 2010, Act 153, Imd. Eff. Aug. 23, 2010