

## CITY OF DETROIT FINANCIAL RECOVERY BONDS

### I. THE HISTORY

- To finance its recent (*December 10, 2014*) exit from Chapter 9 bankruptcy, the City of Detroit issued a bevy of bonds, including \$275 million underwritten by Barclays Bank.
- Barclays Bank agreed to hold these bonds for up to 150 days, after which terms of the deal permit reissuance of the debt to the public at a fixed interest rate that can be higher or lower, depending on the ratings assigned the bonds.
- The deal obliged the City of Detroit to seek at least two ratings, and the hope was that at least one would rank as investment grade – generally speaking a minimum mark of BBB.

### II. THE ISSUE

- The two ratings agencies – *Standard & Poors and Fitch* – recently advised that Detroit's credit-worthiness is unlikely to rank as investment grade absent immediate imposition of a statutory lien on city income tax revenue, the repayment source for these bonds.
- The dollar difference between investment and non-investment grades is estimated to be as much as \$2-3 million per year while this debt is outstanding.
- The bonds are subject to a 15-year term; thus, Detroit could be compelled to pay as much as \$30-45 million more in interest over the life of the loan, if it does not secure an investment grade rating.

### III. THE SOLUTION

- Detroit desires the 98<sup>th</sup> Michigan Legislature to expeditiously pass an amendment to the Home Rule City Act (*Public Act 279 of 1909*) to prescribe a statutory lien on its income tax revenue at the moment they are due from the taxpayer.
- The prospective amendment, as written with a population threshold, would only affect the City of Detroit (*see attachments*).

### IV. THE PRECEDENT

- The Legislature overwhelmingly passed a similar bill in 2011 – now *Public Act 36 of 2011* – to help the City of Ecorse access the bond market and give its bondholders greater assurance of repayment. Indeed, the legislation paved the way for that city's subsequent transaction to be recognized by *The Bond Buyer* magazine as *Deal of the Year* in the small issue category (*see attachments*).

### V. THE BENEFITS

- So amending state law to prescribe an immediate statutory lien on Detroit income tax revenue pledged to repay said bonds (1) saves city taxpayers money; (2) allows the savings to be spent instead on improving public safety and other municipal services; (3) protects the State of Michigan's recent Grand Bargain investment in her largest locale; and (4) augments the state's credit rating, which is affected by the fiscal health of its political subdivisions.



....

(7) A city that issues financial recovery bonds under this section subsequently may refund all or a portion of those bonds subject to the terms and conditions approved by the local emergency financial assistance loan board. However, the local emergency financial assistance loan board shall not approve any term or condition under this subsection that materially alters any existing term, condition, lien, or priority that applied to the bonds before the refunding if the approval would constitute an impermissible contract impairment. If financial recovery bonds are or have been issued by a city under this section, the city may provide additional security for the prior bonds pursuant to this subsection and may issue financial recovery bonds pursuant to this subsection to be sold to the Michigan finance authority for the purpose of refunding all or a portion of the prior bonds, or other obligations of the city, and for such other purposes as approved by the local emergency financial assistance loan board. A city may by resolution or order provide for the deposit of revenues pledged for the payment of prior bonds or bonds issued pursuant to this subsection into a separate account for the purpose of paying principal and interest on those obligations, the administrative costs associated with those obligations, and any other obligations issued by the city that are secured by those revenues. For purposes of this subsection, principal and interest may include termination fees and credit enhancement fees, if any. If the city enters into an agreement with a third party that has a duty or obligation under the agreement or under state law to collect for, pay, remit, disburse, or distribute to the city all or a portion of the revenues pledged by the city for the payment of principal and interest on prior bonds or bonds issued pursuant to this subsection, the agreement shall also provide for the direct payment of the revenues that the third party has a duty or obligation to collect for, pay, remit, disburse, or distribute to the city, and that the city has pledged for payment of the prior bonds or bonds issued pursuant to this subsection, to a trustee to be deposited into ~~an escrow~~ **TRUST** account and used for the sole purpose of paying principal of and interest on the prior bonds or bonds issued pursuant to this subsection and related administrative costs and any other obligations issued by the city that are secured by those revenues. The agreement shall be authorized by resolution or order of the city and approved by the local emergency financial assistance loan board. If the city and a third party enter into an agreement providing for the direct payment of the revenues pledged by the city for the payment of prior bonds or bonds issued pursuant to this subsection to a trustee, a statutory lien and trust is created applicable to those revenues received ~~or to be received~~ from the third party by the trustee, and the revenues paid ~~or to be paid~~ to a trustee for the purpose of paying the principal and interest on prior bonds or bonds issued pursuant to this subsection shall be subject to a lien and trust that is a statutory lien and trust paramount and superior to all other liens and interests of any kind, for the sole purpose of paying the principal and interest on the prior bonds of the city or bonds of the city issued pursuant to this subsection and related administrative costs and any other obligations issued by the city that are secured by those revenues. The lien and trust created under this subsection is perfected without delivery, recording, or notice. The revenues held ~~or to be held~~ by a trustee pursuant to an agreement shall be held in trust pursuant to this subsection and are exempt from being levied upon, taken, sequestered, or applied toward paying the debts or liabilities of the city other than for payment of debt service on the obligations and related administrative costs to which the lien applies. A statutory lien and trust created by this

subsection applicable to distributable aid received ~~or to be received~~ from the state treasurer by a paying agent, escrow agent, or trustee, shall apply only to the distributable aid, as that term is defined in section 9 of the fiscal stabilization act, 1981 PA 80, MCL 141.1009, after it has been appropriated and shall be subject to any subsequent reduction of that appropriation by operation of law or executive order. Nothing in this subsection shall abridge or reduce the ability of the state treasurer to withhold distributable aid from a city as provided by the Glenn Steil state revenue sharing act of 1971, 1971 PA 140, MCL 141.901 to 141.921. Financial recovery bonds issued pursuant to this subsection are not subject to subsection (4). This subsection shall not be construed to do any of the following:

- (a) Create or constitute state indebtedness.
- (b) Require the state to continue to impose and collect taxes from which distributable aid is paid or to make payments of distributable aid.
- (c) Limit or prohibit the state from repealing or amending a law enacted for the distributable aid, or for the manner, time, or amount of distributable aid.

....

**(9) [NEW]**

- (a) If (i) a city with a population of more than 600,000 according to the latest federal decennial census and located in a county organized under 1966 PA 293, MCL 45.501 to 45.521, issues or has issued financial recovery bonds pursuant to subsection (7) and (ii) as a specified condition of such issuance, has entered into an agreement with a trustee for the deposit into a segregated trust account under the control of the trustee of revenues of the city that have been pledged to the trustee for the purpose of repaying those bonds, and (iii) the city has received the approval of the state treasurer, then, at all times after the issuance of such bonds and prior to the deposit of the revenues of the city into the trust account, the revenues of the city to be deposited are held in trust for the benefit of the trustee and the bonds by any party that comes into possession of the revenues. The revenues are held in trust for the benefit of the trustee and the bonds regardless of whether the city directly collects the revenues, a third party collects the revenues on the city's behalf, or any other person comes into possession of the revenues, and the revenues remain subject to the trust regardless of subsequent transfer or transfers of the revenues until such time as the revenues are received by the trustee appointed under the agreement for repayment of the bonds.
- (b) To the extent that the city or any other person holds a residual or other interest in the revenues held in trust and to be deposited with the trustee in the trust account, such interest is subordinate to a lien in the revenues in favor of the trustee for the purpose of ensuring delivery of the revenues to the trust account. This lien arises by operation of law and without further act or notice of any kind at the earliest time that the City has or acquires any rights in the revenues pledged pursuant to the agreement, is and will remain paramount and superior to all other liens and interests of any kind, and is perfected without delivery, recording, or notice.

- (c) The revenues held in trust and to be deposited into the trust account pursuant to this subsection are exempt from being levied upon, taken, sequestered, or applied toward paying the debts or liabilities of the city other than those expressly specified in the agreement described in this subsection and subsection (7).



Act No. 36  
Public Acts of 2011  
Approved by the Governor  
May 24, 2011  
Filed with the Secretary of State  
May 25, 2011  
EFFECTIVE DATE: May 25, 2011

**STATE OF MICHIGAN  
96TH LEGISLATURE  
REGULAR SESSION OF 2011**

Introduced by Senator Hopgood

**ENROLLED SENATE BILL No. 318**

AN ACT to amend 1909 PA 279, entitled "An act to provide for the incorporation of cities and for revising and amending their charters; to provide for certain powers and duties; to provide for the levy and collection of taxes by cities, borrowing of money, and issuance of bonds or other evidences of indebtedness; to validate actions taken, bonds issued, and obligations heretofore incurred; to prescribe penalties and provide remedies; and to repeal acts and parts of acts on specific dates," by amending section 36a (MCL 117.36a), as amended by 2011 PA 7.

*The People of the State of Michigan enact:*

Sec. 36a. (1) Except as otherwise provided under this section, if a financial emergency exists under the local government and school district fiscal accountability act, 2011 PA 4, MCL 141.1501 to 141.1531, a city may issue financial recovery bonds in amounts greater than the limitations established by the city charter or this act.

(2) Any financial recovery bonds issued under this section are subject to the terms and conditions approved by the local emergency financial assistance loan board created under the emergency municipal loan act, 1980 PA 243, MCL 141.931 to 141.942.

(3) Any financial recovery bonds issued under this section are not subject to section 5(g).

(4) Notwithstanding subsection (1), the net indebtedness of a city, reduced by any amounts excluded under section 4a(4), shall not exceed 20% of the assessed value of the city.

(5) Notwithstanding subsection (4), the net indebtedness of a city that issues financial recovery bonds under subsection (6), reduced by any amounts excluded under section 4a(4), shall not exceed 12% of the assessed value of the city, adjusted for additions as provided under section 4a(9).

(6) If financial recovery bonds are issued under this subsection by a city with a population of less than 10,000 according to the latest federal decennial census and located in a county organized under 1966 PA 293, MCL 45.501 to 45.521, the city may provide in the order authorizing the issuance of the bonds for the deposit of revenues generated from taxes levied by the city, including a tax levied by the city to pay a judgment or comply with a court order, into an escrow account to be used for the purpose of paying principal of and interest on the bonds and the administrative costs associated with issuing the bonds, and the tax revenues may be pledged by the city for the payment of the bonds issued under this section. Bonds issued under this subsection shall be limited in amount to that necessary to pay court-ordered judgments against the city existing on the effective date of the amendatory act that added this subsection and administrative costs associated with issuing the bonds. If the city enters into an agreement with a third-party tax collector pursuant to which the third-party tax collector has the duty to collect taxes that otherwise would be collected by the city treasurer, the agreement shall also provide for the direct payment of all tax revenues pledged for payment of bonds issued pursuant to this section collected by the third-party tax collector to a trustee to be deposited into an escrow account and used for the sole purpose of paying principal of and interest on the bonds. If the city and a third-party tax collector enter into an agreement providing for the direct payment of taxes to a trustee, a statutory lien and

trust is created applicable to those tax revenues received or to be received from the third-party tax collector by the trustee. The tax revenues paid or to be paid to a trustee for the purpose of paying the principal of and interest on the bonds issued pursuant to this section shall be subject to a lien and trust, which is a statutory lien and trust paramount and superior to all other liens and interests of any kind, for the sole purpose of paying the principal of and interest on bonds issued pursuant to this section and any other bonds subsequently issued by the city sharing a parity or subordinate pledge of those tax revenues. The lien and trust created under this subsection for the benefit of bondholders or others is perfected without delivery, recording, or notice. The tax revenues held or to be held by a trustee shall be held in trust for the sole benefit of the holders of the bonds issued pursuant to this section and are exempt from being levied upon, taken, sequestered, or applied toward paying the debts or liabilities of the city other than for payment of debt service on the bonds to which the lien applies. As used in this subsection, "third-party tax collector" means a party that is not the city treasurer or other elected or appointed city official with whom the city has entered into a contractual agreement pursuant to which the third-party tax collector agrees to collect taxes that otherwise would be collected by the city treasurer.

(7) Financial recovery bonds issued under this section are not subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

This act is ordered to take immediate effect.

*Carol Morey Viventi*

Secretary of the Senate

*Ray E. Randall*

Clerk of the House of Representatives

Approved .....

.....  
Governor





Senate Fiscal Agency  
P. O. Box 30036  
Lansing, Michigan 48909-7536

## BILL ANALYSIS

Telephone: (517) 373-5383  
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Senate Bill 318 (as enacted)  
Sponsor: Senator Hoon-Yung Hopgood  
Senate Committee: Education  
House Committee: Local, Intergovernmental, and Regional Affairs

**PUBLIC ACT 36 of 2011**

Date Completed: 8-15-11

**CONTENT**

**The bill amended the Home Rule City Act to provide for the issuance of financial recovery bonds by the City of Ecorse to pay court-ordered judgments against the city; and provide for the deposit of tax revenue into an escrow account for the payment of the bonds.**

Section 36a of the Act allows a city to issue financial recovery bonds in amounts greater than the limitations established by the city charter or the Act, if a financial emergency exists under the Local Government and School District Fiscal Accountability Act.

The bill applies to a city that has a population under 10,000 according to the latest Federal decennial census, and is located in a charter county. (The City of Ecorse meets these criteria and a financial emergency has been found to exist in the city.)

Financial recovery bonds issued under the bill must be limited to the amount necessary to pay court-ordered judgments against the city existing on the bill's effective date, and administrative costs associated with issuing the bonds.

In the order authorizing the bond issuance, the city may provide for the deposit of revenue generated from taxes levied by the city, including a tax levied to pay a judgment or comply with a court order, into an escrow account to be used for the purpose of paying the principal of and interest on the bonds and the administrative costs associated with issuing the bonds, and

the city may pledge the tax revenue for the payment of the bonds.

If the city enters into an agreement with a third-party tax collector for the collection of taxes that the city treasurer otherwise would collect, the agreement must provide for the direct payment of all tax revenue pledged for the payment of financial recovery bonds collected by the third-party tax collector, to a trustee to be deposited into an escrow account and used for the sole purpose of paying the principal of and interest on the bonds. The tax revenue paid to the trustee will be subject to a lien and trust, which will be a statutory lien and trust superior to all other liens and interests of any kind, for the sole purpose of paying the principal of and interest on the financial recovery bonds and any other bonds subsequently issued by the city sharing a parity or subordinate pledge of that tax revenue.

The tax revenue must be held in trust for the sole benefit of the bondholders and is exempt from being levied upon, taken, sequestered, or applied toward paying the debts or liabilities of the city other than for payment of debt service on the bonds subject to the lien.

Section 36a provides that the net indebtedness of a city, reduced by amounts excluded under Section 4a, may not exceed 20% of the city's assessed value. Notwithstanding this provision, if Ecorse issues financial recovery bonds under the bill, its net indebtedness, reduced by the excluded amounts, may not exceed 12% of the city's assessed value, adjusted for

additions under Section 4a(9). (Section 4a sets limits on a city's net indebtedness incurred for all public purposes, and excludes certain bonds and obligations from the computation of net indebtedness. In the computation of net indebtedness, Subsection (9) allows an amount equal to the assessed value equivalent of certain city revenue to be added to the assessed value of real and personal property in a city.)

The bill took effect on May 25, 2011.

MCL 117.36a

Legislative Analyst: Suzanne Lowe

### **FISCAL IMPACT**

The bill will change the distribution and timing of certain tax collections as well as the financing of certain obligations. Absent the bill, a local unit must finance the payment of a court judgment from existing assets, revenue, or levies. For some local units, this could require substantial increases in the tax levy. The bill allows the City of Ecorse to finance a court judgment over a substantial period of time (more than 15 years), while still ensuring that parties receiving revenue under the judgment will be paid promptly.

The bill does not change the amount of the judgment, although allowing the bonds will increase the total cost of paying the judgment by the interest cost on the bonds.

The bill will have no fiscal impact on State government.

Fiscal Analyst: David Zin

#### S1112\318es

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.

Bolger	Hammel	MacGregor	Schmidt, R.
Brown	Heise	MacMaster	Schmidt, W.
Brunner	Hooker	McBroom	Scott
Byrum	Horn	McCann	Segal
Callton	Hovey-Wright	McMillin	Shaughnessy
Cavanagh	Hughes	Meadows	Shirkey
Clemente	Huuki	Melton	Slavens
Constan	Irwin	Moss	Smiley
Cotter	Jacobsen	Muxlow	Somerville
Crawford	Jenkins	Nesbitt	Stamas
Daley	Johnson	O'Brien	Stanley
Damrow	Kandreas	Oakes	Stapleton
Darany	Knollenberg	Olson	Switalski
Denby	Kowall	Opsommer	Tlaib
Dillon	Kurtz	Ouimet	Townsend
Durhal	LaFontaine	Outman	Tyler
Farrington	Lane	Pettalia	Walsh
Forlini	LeBlanc	Poleski	Yonker
Foster	Lindberg	Potvin	Zorn
Franz			

## Nays—9

Hobbs	Nathan	Santana	Talabi
Howze	Olumba	Stallworth	Womack
Jackson			

## In The Chair: Opsommer

The House agreed to the title of the bill.

Rep. Farrington moved that the bill be given immediate effect.

The motion prevailed, 2/3 of the members serving voting therefor.

Reps. Ananich, Bledsoe, Callton, Constan, Daley, Darany, Denby, Farrington, Forlini, Geiss, Haines, Huuki, Knollenberg, Kowall, LeBlanc, Lund, Lyons, Olson, Opsommer, Ouimet, Pettalia, Pscholka, Rendon, Slavens, Switalski, Tyler and Walsh were named co-sponsors of the bill.

## Senate Bill No. 318, entitled

A bill to amend 1909 PA 279, entitled "The home rule city act," by amending section 36a (MCL 117.36a), as amended by 2011 PA 7.

The bill was read a third time.

The question being on the passage of the bill,

Rep. Clemente moved to amend the bill as follows:

1. Amend page 2, line 26, after "SUBSECTION" by inserting "**AND ADMINISTRATIVE COSTS ASSOCIATED WITH ISSUING THE BONDS**".

The motion was seconded and the amendment was adopted, a majority of the members serving voting therefor.

The question being on the passage of the bill,

The bill was then passed, a majority of the members serving voting therefor, by yeas and nays, as follows:

## Roll Call No. 140

## Yeas—106

Agema	Gilbert	Lori	Rendon
Ananich	Gardon	Lund	Rogers

Barnett	Haines	Lyons	Rutledge
Bauer	Hammel	MacGregor	Santana
Bledsoe	Heise	MacMaster	Schmidt, R.
Bolger	Hobbs	McBroom	Schmidt, W.
Brown	Hooker	McCann	Scott
Brunner	Horn	McMillin	Segal
Byrum	Hovey-Wright	Meadows	Shaughnessy
Callton	Howze	Melton	Shirkey
Cavanagh	Hughes	Moss	Slavens
Clemente	Huuki	Muxlow	Smiley
Constan	Irwin	Nathan	Somerville
Cotter	Jackson	Nesbitt	Stallworth
Crawford	Jacobsen	O'Brien	Stamas
Daley	Jenkins	Oakes	Stanley
Damrow	Johnson	Olson	Stapleton
Darany	Kandrevas	Olumba	Switalski
Denby	Knollenberg	Opsommer	Talabi
Dillon	Kowall	Ouimet	Tlaib
Durhal	Kurtz	Outman	Townsend
Farrington	LaFontaine	Pettalia	Tyler
Forlini	Lane	Poleski	Walsh
Foster	LeBlanc	Potvin	Womack
Franz	Lindberg	Price	Yonker
Geiss	Lipton	Pscholka	Zorn
Genetski	Liss		

**Nays—0**

In The Chair: Opsommer

Pursuant to Joint Rule 20, the full title of the act shall be inserted to read as follows:

“An act to provide for the incorporation of cities and for revising and amending their charters; to provide for certain powers and duties; to provide for the levy and collection of taxes by cities, borrowing of money, and issuance of bonds or other evidences of indebtedness; to validate actions taken, bonds issued, and obligations heretofore incurred; to prescribe penalties and provide remedies; and to repeal acts and parts of acts on specific dates.”

The House agreed to the full title.

Rep. Farrington moved that the bill be given immediate effect.

The motion prevailed, 2/3 of the members serving voting therefor.

**Senate Bill No. 139, entitled**

A bill to amend 1984 PA 431, entitled “The management and budget act,” by amending sections 367b, 371, 384, 386, and 423 (MCL 18.1367b, 18.1371, 18.1384, 18.1386, and 18.1423), section 367b as amended by 2007 PA 183, section 371 as amended by 2007 PA 2, and sections 384 and 386 as amended by 1999 PA 8.

Was read a third time and passed, a majority of the members serving voting therefor, by yeas and nays, as follows:

**Roll Call No. 141****Yeas—106**

Agema	Gilbert	Lori	Rendon
Ananich	Glaridon	Lund	Rogers
Barnett	Haines	Lyons	Rutledge
Bauer	Hammel	MacGregor	Santana
Bledsoe	Heise	MacMaster	Schmidt, R.
Bolger	Hobbs	McBroom	Schmidt, W.

**Excused—0**

**Not Voting—0**

In The Chair: President

The question being on concurring in the committee recommendation to give the bill immediate effect, The recommendation was concurred in, 2/3 of the members serving voting therefor. The Senate agreed to the title as amended. The bill was referred to the Secretary for enrollment printing and presentation to the Governor.

**Senate Bill No. 220, entitled**

A bill to amend 1939 PA 288, entitled "Probate code of 1939," by amending section 19c (MCL 712A.19c), as amended by 2008 PA 203.

The House of Representatives has passed the bill, ordered that it be given immediate effect and pursuant to Joint Rule 20, inserted the full title.

The question being on concurring in the committee recommendation to give the bill immediate effect, The recommendation was concurred in, 2/3 of the members serving voting therefor. The Senate agreed to the full title. The bill was referred to the Secretary for enrollment printing and presentation to the Governor.

**Senate Bill No. 245, entitled**

A bill to amend 1967 PA 227, entitled "An act to regulate the inspection, construction, installation, alteration, maintenance, repair and operation of elevators and the licensing of elevator contractors; to prescribe the functions of the director of labor; to create, and prescribe the functions of, the elevator safety board; to provide penalties for violations of the act; and to repeal certain acts and parts of acts," by amending section 6 (MCL 408.806).

The House of Representatives has passed the bill and ordered that the bill be given immediate effect. The question being on concurring in the committee recommendation to give the bill immediate effect, The recommendation was concurred in, 2/3 of the members serving voting therefor. The bill was referred to the Secretary for enrollment printing and presentation to the Governor.

**Senate Bill No. 318, entitled**

A bill to amend 1909 PA 279, entitled "The home rule city act," by amending section 36a (MCL 117.36a), as amended by 2011 PA 7.

The House of Representatives has substituted (H-1) the bill.

The House of Representatives has passed the bill as substituted (H-1), ordered that it be given immediate effect and pursuant to Joint Rule 20, inserted the full title.

Pending the order that, under rule 3.202, the bill be laid over one day.

Senator Meekhof moved that the rule be suspended.

The motion prevailed, a majority of the members serving voting therefor.

The question being on concurring in the substitute made to the bill by the House,

The substitute was concurred in, a majority of the members serving voting therefor, as follows:

**Roll Call No. 217**

**Yeas—37**

Anderson	Hansen	Kahn	Richardville
Bieda	Hildenbrand	Kowall	Robertson
Booher	Hood	Marleau	Rocca
Brandenburg	Hopgood	Meekhof	Schuitmaker

Casperson  
Colbeck  
Emmons  
Gleason  
Green  
Gregory

Hune  
Hunter  
Jansen  
Johnson  
Jones

Moolenaar  
Nofs  
Pappageorge  
Pavlov  
Proos

Smith  
Walker  
Warren  
Whitmer  
Young

**Nays—1**

Caswell

**Excused—0**

**Not Voting—0**

In The Chair: President

The question being on concurring in the committee recommendation to give the bill immediate effect, The recommendation was concurred in, 2/3 of the members serving voting therefor. The Senate agreed to the full title. The bill was referred to the Secretary for enrollment printing and presentation to the Governor.

By unanimous consent the Senate proceeded to the order of  
**General Orders**

Senator Meekhof moved that the Senate resolve itself into the Committee of the Whole for consideration of the General Orders calendar.

The motion prevailed, and the President, Lieutenant Governor Calley, designated Senator Young as Chairperson.

After some time spent therein, the Committee arose; and, the President, Lieutenant Governor Calley, having resumed the Chair, the Committee reported back to the Senate, favorably and without amendment, the following bills:

**House Bill No. 4389, entitled**

A bill to amend 1978 PA 368, entitled "Public health code," by amending section 16185 (MCL 333.16185), as added by 2006 PA 25.

**Senate Bill No. 287, entitled**

A bill to amend 1933 PA 254, entitled "The motor carrier act," by amending section 2 of article V (MCL 479.2), as amended by 2008 PA 584.

**Senate Bill No. 346, entitled**

A bill to amend 1953 PA 232, entitled "Corrections code of 1953," by amending section 33d (MCL 791.233d), as amended by 2001 PA 86.

The bills were placed on the order of Third Reading of Bills.

The Committee of the Whole reported back to the Senate, favorably and with a substitute therefor, the following bill:

**Senate Bill No. 24, entitled**

A bill to amend 1956 PA 218, entitled "The insurance code of 1956," by amending section 1505 (MCL 500.1505). Substitute (S-1).

The Senate agreed to the substitute recommended by the Committee of the Whole, and the bill as substituted was placed on the order of Third Reading of Bills.

# THE BOND BUYER

Tuesday, February 17, 2015 | as of 1:24  
PM ET

## Bond Buyer Deal of the Year Finalists Announced

NOV 4, 2011 10:31am ET

NEW YORK - The Bond Buyer's editors Friday announced the finalists for the publication's 10th annual Deal of the Year Awards.

Nominations this year included deals to finance transportation, health care facilities, highways and toll roads, sewer projects, airports, bridges, hydroelectric and alternative energy projects, convention centers and more. This year's finalists represent some of the country's most innovative municipal bond issues, all executed in a period of great economic uncertainty and financial market volatility.

The 2011 awards, which considered deals that closed between Oct. 1, 2010, and Sept. 30, 2011, drew 80 nominations for transactions ranging in size from \$5 million to several billion dollars.

One finalist was selected from each region as covered by The Bond Buyer. This year, one issue was recognized as our winner in the small issuer category. Small deals are those completed by issuers with annual revenue of \$70 million or less, or beneficiaries with those revenue levels. Non-profit and public health care transactions had their own category this year as well.

All the regional finalists are in the running for the Deal of the Year Award, which will be announced Dec. 8 at a ceremony at the Essex House hotel in New York City.

The entries were evaluated by The Bond Buyer's editors and bureau chiefs, who looked for innovation, efforts by government issuers to accomplish their goals in challenging times, the ability for a deal to serve as a model for other financings, and the public purpose for which a transaction's proceeds were used.

The Bond Buyer also selected a winner for its award for nontraditional public finance transactions, which was open to deals that did not use traditional municipal securities. The award, which was presented for the first time in 2006, reflects the growth of this nontraditional sector.

The regional finalists are:

### **Northeast**

The Commonwealth of Massachusetts for its billion-dollar accelerated bridge program.

**Southwest**

The Love Field Modernization Corp.'s \$310 million of special facilities revenue bonds.

**Midwest**

The Metropolitan Pier and Exposition Authority's \$1.1 billion of McCormick Place Expansion Project bonds.

**Southeast**

The City of Atlanta Department of Aviation's \$1.5 billion refunding deal.

**Far West**

The State of Washington's \$89 million motor vehicle fuel tax general obligation bonds.

The winner in the small issue category is the City of Ecorse, Mich.'s \$9.5 million of financial recovery bonds.

The winner in the health care sector is Adventist Health System (Florida) for its \$1.75 billion credit facility restructuring and \$665 million bond restructuring.

The winning nontraditional financing is the Judicial Council of California, Administrative Office of the Courts' Long Beach Court Building Project.

This year's ceremony also will see the presentation of the inaugural Freda Johnson Award honoring Trailblazing Women Issuers. This year's honoree is Connecticut Treasurer Denise Nappier.



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