

DEPARTMENT OF TREASURY  
BUREAU OF LOCAL GOVERNMENT SERVICES  
MUNICIPAL FINANCE SECTION  
GENERAL RULES

(By authority conferred on the department of treasury by section 2 of chapter II of Act No. 202 of the Public Acts of 1943, as amended, being S132.2 of the Michigan Compiled Laws)

PART 1. GENERAL PROVISIONS

R 132.1101 Definitions.

Rule 101. (1) As used in these rules:

(a) "Act" means Act No. 202 of the Public Acts of 1943, as amended, being S131.1 et seq. of the Michigan Compiled Laws.

(b) "Division" means the municipal finance division of treasury or its successor.

(c) "Government agency" means any agency, instrumentality, authority, or entity of the United States or the state of Michigan.

(d) "Order of approval" means an order approving the issuance of the proposed bonds or notes.

(e) "Order providing exception" means an order providing an exception from prior approval pursuant to section 11(3) of chapter III of the act.

(f) "Private sale" means all sales other than a public sale.

(g) "Public sale" means a competitively bid offering pursuant to publication of a notice of sale.

(h) "Report of bids" means treasury form number F-3303 or a subsequent amendment or replacement.

(i) "Treasury" means the department of treasury.

(2) A term defined in the act has the same meaning when used in these rules.

History: 1986 AACS.

R 132.1102 Treasury forms; availability.

Rule 102. All treasury forms and subsequent amendments to, or replacements of, such forms are available from the office of the division.

History: 1986 AACS.

R 132.1103 Division office location and hours.

Rule 103. The office of the division is at Lansing, Michigan. Forms and documents may be filed at the office of the division from 8 a.m. to 12 noon and from 1 p.m. to 5 p.m. daily, except Saturdays, Sundays, and Michigan legal holidays.

History: 1986 AACS.

R 132.1104 Forms and documents; evidence of receipt.

Rule 104. Forms and documents required by statute or rule to be filed with the division shall be date stamped by the division as evidence of receipt.

History: 1986 AACS.

R 132.1105 Orders; authorizing signature.

Rule 105. The state treasurer shall sign orders or may designate a deputy, officer, or treasury employee to sign orders. The signature of any such designee shall have the same force and effect as the signature of the state treasurer. Such designation shall be in a written instrument signed by the state treasurer and filed with the division.

History: 1986 AACS.

R 132.1106 Applicability of rules to certain entities.

Rule 106. Recognizing that only sections 10 and 11 of chapter III of the act apply to the following state authorities and agencies, only R 132.1119 and part 2 and part 8 of these rules shall apply to the following entities:

- (a) Mackinac Island state park commission.
- (b) Michigan economic development authority.
- (c) Michigan family farm development authority.
- (d) Michigan higher education student loan authority.
- (e) Michigan job development authority.
- (f) Michigan state hospital finance authority.
- (g) Michigan state housing development authority.
- (h) Michigan transportation commission.
- (i) Resource recovery commission.
- (j) State building authority.

History: 1986 AACS.

R 132.1107 Request for order of approval by state, municipality, or Michigan government agency when statutory provision requiring approval does not exist; protection of credit of state by state treasurer.

Rule 107. The state, a municipality, or a Michigan government agency may submit a completed filing with the division and request an order of approval when there is no specific statutory provision requiring approval by the state treasurer. For the protection of the credit of the state and its municipalities, the state treasurer may do any of the following:

- (a) Request additional information necessary to issue an order of approval.
- (b) Request the applicant to comply with any of these rules necessary to issue an order of approval.
- (c) Approve the issuance of the bonds or notes, which approval shall be considered a conclusive finding of fact pursuant to section 7 of chapter III of the act.
- (d) Return the completed filing to the applicant without an order of approval.

History: 1986 AACS.

R 132.1108 Bond or note ratings.

Rule 108. (1) Except as provided in subrule (2) of this rule:

- (a) All bonds of \$1,000,000.00 or more or notes of \$5,000,000.00 or more shall be rated by a nationally recognized rating agency.
- (b) All bonds of less than \$1,000,000.00 or notes of less than \$5,000,000.00 shall not be required to be rated, except upon order of the state treasurer.
- (2) Notes or bonds to be purchased by a government agency shall not require a rating.
- (3) The requirements of subrule (1)(a) of this rule shall be waived by the state treasurer upon written request of the municipality on treasury form number F-3306 or a subsequent amendment or replacement if the state treasurer finds that the advantages outweigh the disadvantages.

History: 1986 AACS.

R 132.1109 Multiple bid sites; notification of procedure for opening bids.

Rule 109. If bids are to be opened at more than 1 location, the notice of sale shall indicate the location of the bid sites and the procedure to be used in opening the bids that will assure fairness in the bidding process.

History: 1986 AACS.

R 132.1110 Obligation sales; good faith deposits; exemption; waiver.

Rule 110. (1) Except as provided in subrule (2) of this rule, good faith deposits in the form of either a cashier's check or a certified check payable to an officer of the municipality shall be required on all sales of obligations, shall be in an amount not less than 1% of the principal amount of the obligation, and shall be submitted with the bid.

(2) Notes or bonds to be purchased by a government agency shall not require a good faith deposit.

(3) The requirements of subrule (1) of this rule shall be waived, in whole or in part, by the state treasurer upon written request of the municipality on treasury form number F-3306 or a subsequent amendment or replacement if the state treasurer finds that the advantages outweigh the disadvantages.

History: 1986 AACS.

R 132.1111 Credit enhancements; filing of agreement, contract, or commitment; issuance of order.

Rule 111. A municipality authorized by resolution to enter into any of the following shall file such agreement or contract or commitment to enter into same with the division as part of the completed filing:

(a) Insurance contracts.

(b) Agreements for lines of credit.

(c) Commitments to purchase obligations.

(d) Remarketing agreements.

(e) Reimbursement agreements.

(f) Any other transactions to provide security to assure timely payment of an obligation.

Any credit enhancement which evidences an obligation of the municipality will be an obligation for which an order of approval or, to the extent authorized by law, an order providing exception shall be necessary before issuance, but shall not be subject to a filing fee.

History: 1986 AACS.

R 132.1112 Debt reduction; provision of information.

Rule 112. A municipality issuing a renewal obligation or an obligation with characteristics similar to a renewal obligation shall provide the following information to the division within 10 days of any permanent debt reduction:

(a) The amount of original issuance subject to the reduction.

(b) The amount of the reissued or renewed obligation.

History: 1986 AACS.

R 132.1113 Private sale of obligations.

Rule 113. Obligations may be sold at private sale without a waiver of the state treasurer if any of the following provisions apply:

(a) The principal amount is less than \$100,000.00.

(b) The obligation is payable prior to maturity at the option of the holder.

(c) The obligation is for purposes of refunding or advance refunding.

(d) The obligation is sold to a government agency.

(e) The private sale is otherwise provided by law.

History: 1986 AACCS.

R 132.1114 Public sale waiver; request.

Rule 114. A waiver of public sale may be requested pursuant to section 2(1)(b) of chapter III of the act by submitting either of the following to the division:

- (a) Treasury form number F-3306 or a subsequent amendment or replacement.
- (b) All of the following:
  - (i) The maximum amount and title of the issue.
  - (ii) An explanation for the requested waiver, including an explanation of the advantages of a private sale over a public sale, signed by an official of the municipality.
  - (iii) Certification of compliance with section 2(6) of chapter III of the act with respect to obligations previously issued by private sale.

History: 1986 AACCS.

R 132.1115 Public sale waiver; criteria.

Rule 115. Upon receipt of documents required in R 132.1114, a waiver of public sale for issues of \$12,000,000.00 or more shall be approved by an order of the state treasurer if all of the following criteria are met:

- (a) The obligation has not yet been sold.
- (b) The municipality is in compliance with section 2(6) of chapter III of the act with respect to obligations previously issued by private sale.
- (c) The state treasurer finds that the advantages of a private sale outweigh the advantages of a public sale.

History: 1986 AACCS.

R 132.1116 Bond, note, and tax anticipation note obligations; notice of sale; content.

Rule 116. (1) When a notice of sale is required for bond and note obligations, except as provided in subrule (2) of this rule, it shall include all of the following information:

- (a) The date, time, and location or locations for accepting bids.
- (b) All of the following with respect to the bonds:
  - (i) The denomination or denominations.
  - (ii) Date.
  - (iii) Maximum interest rate.
  - (iv) Discount, if applicable.
  - (v) Maturity schedule.
  - (vi) Redemption schedule, if applicable.
  - (vii) First interest payment date of the bonds.
- (c) The purpose and security for the bonds.
- (d) The party providing and paying for the legal opinion and bond printing.
- (e) The name, address, and phone number of the municipal officer or financial consultant to be contacted for additional information on the bonds and terms of sale.

(2) When a notice of sale is required for tax anticipation note obligations, it shall include all of the following information:

- (a) The date, time, and location or locations for accepting bids.
- (b) All of the following with respect to the notes:
  - (i) The denomination or denominations.
  - (ii) Date.
  - (iii) Maximum interest rate.
  - (iv) Discount, if applicable.

- (v) Maturity schedule of the notes.
- (c) The purpose and security for the notes.
- (d) Identification of any other notes outstanding and pledging as security the same tax levy as the requested notes.
- (e) The party providing and paying for the legal opinion and note printing.
- (f) The name, address, and phone number of the municipal officer or financial consultant to be contacted for additional information on the notes and terms of sale.

History: 1986 AACS.

R 132.1117 Private sale of obligations where bids are rejected or no bids are received at public sale.

Rule 117. Before any private sale pursuant to section 2(2) of chapter III of the act, another public sale at the new terms shall be required if there are any changes in the terms of the obligation from those provided at the most recent public sale.

History: 1986 AACS.

R 132.1118 Private sale; follow-up documentation.

Rule 118. The municipality shall, within 60 days after the delivery of an obligation sold at a private sale, including obligations excluded by section 2(d)(vi) of chapter I of the act, file with the division a proof of publication indicating compliance with section 2(6) of chapter III of the act.

History: 1986 AACS.

R 132.1119 Distribution of official statement; waiver.

Rule 119. (1) An official statement or preliminary official statement shall not be mailed, or authorized to be mailed, or otherwise distributed as a sales document to prospective purchasers before the issuance of an order of approval or an order providing exception.

(2) The requirements of this rule shall be waived by an order of the state treasurer upon written request of the municipality on treasury form number F-3306 or a subsequent amendment or replacement if the state treasurer finds that the advantages of releasing the official statement or preliminary official statement outweigh the disadvantages.

History: 1986 AACS.

R 132.1120 Official statement; informational notice.

Rule 120. Within 10 days after delivery of an obligation, the municipality shall file the official statement specified in R 132.1119 with the division. If an official statement was not prepared, the municipality shall file the additional information on the bonds or notes and the terms of sale as required in R 132.1116.

History: 1986 AACS.

R 132.1121 Proof of publication of notice of sale; filing.

Rule 121. A proof of the publication of the notice of sale shall be filed with the division within 10 days after delivery of the obligation when a notice of sale is required.

History: 1986 AACS.

R 132.1122 Audit reports; forms.

Rule 122. Audit reports shall be in the following forms:

(a) Audit reports for school districts and intermediate school districts shall be in the form prescribed by the department of education in the current publication entitled "Financial Accounting for Michigan School Districts," 1979, or such amendments or revisions as shall be approved by treasury.

(b) Audit reports for community colleges shall be in the form prescribed by the department of management and budget in the current publication entitled "Manual for Uniform Financial Reporting," 1981, or such amendments or revisions as shall be approved by treasury.

(c) Audit reports for state agencies shall be in accordance with applicable statute or, if none, in a form prescribed by treasury.

(d) The audit reports for all other municipalities shall be in the form prescribed by the local government audit division of treasury in the current publication entitled "Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan," 1983, or such amendments or revisions as shall be approved by treasury.

History: 1986 AACCS.

R 132.1123 Application and information; use as prerequisite for approval of issuance of obligation.

Rule 123. The state treasurer shall use information required in the application and any other information known to the state treasurer to make a determination of fact or circumstance which is a necessary prerequisite for the approval of the issuance of the obligation.

History: 1986 AACCS.

R 132.1124 Denial of requests for approval to issue bonds or notes.

Rule 124. New requests for approval to issue bonds or notes may be denied if the municipality is in violation of any of the following:

(a) An order of the state treasurer issued pursuant to sections 2(1)(a) or 2(2)(a) of chapter II of the act.

(b) These rules.

(c) The act.

History: 1986 AACCS.

R 132.1125 Failure to file documents.

Rule 125. Failure to file any reports, proofs of publication, or other documents required by these rules after the granting of approval or after an exception from prior approval to issue bonds or notes has been given shall not invalidate any obligations issued pursuant to the act.

History: 1986 AACCS.

R 132.1126 Rescission.

Rule 126. R 132.1 to R 132.107 of the Michigan Administrative Code, appearing on pages 466 and 467 of the 1979 Michigan Administrative Code, are rescinded.

History: 1986 AACCS.

## PART 2. PRIOR APPROVAL EXCEPTIONS

R 132.1201 Definitions.

Rule 201. As used in this part:

(a) "Completed filing" means all of the following:

(i) The notice of intent with a response to all requested information.

(ii) The resolution of the governing body to seek exception from prior approval pursuant to section 11 of chapter III of the act and authorizing the person signing the notice of intent to file same.

(iii) The filing fee.

(iv) An agreement by the governing body to file the documents required by section 10(1) of chapter III of the act.

(v) If applicable, all documentation required under section 6 of chapter III of the act.

(vi) If a resolution was adopted at a special meeting and if any member of the governing body was absent, notarized proofs of call and posting or a waiver or waivers of notice.

(b) "Filing fee" means the fees set forth in section 11(2) of chapter III of the act.

(c) "Notice of intent" means treasury form number F-3304 entitled "Notice of Intent to Issue an Obligation" or a subsequent amendment or replacement.

(d) "Order" means either an order providing exception or an order of denial pursuant to section 11(3) of chapter III of the act.

(e) "Order of denial" means an order denying an exception from prior approval pursuant to section 11(3) of chapter III of the act.

History: 1986 AACS.

#### R 132.1202 Audit report.

Rule 202. To qualify for an order providing exception from prior approval, the municipality shall have filed with treasury the audit report due for the most recent fiscal year. The audit report shall be prepared and filed pursuant to the act or any order that the state treasurer may issue pursuant to the act.

History: 1986 AACS.

#### R 132.1203 Incomplete filing; notification of municipality by division.

Rule 203. If all prior approval exception documentation constituting a completed filing is not submitted in 1 package to the division by the municipality requesting exception from prior approval, the division shall notify the municipality or its representative of the documentation missing from the incomplete filing.

History: 1986 AACS.

#### R 132.1204 Issuance of order.

Rule 204. Within 10 days after receipt of a completed filing, treasury shall issue an order. The order shall be mailed by first-class mail to the person who signed the notice of intent at the address indicated or may be picked up, upon request, at the division offices by an authorized representative of the municipality.

History: 1986 AACS.

#### R 132.1205 Order providing exception; implication.

Rule 205. The issuance of an order providing exception shall imply that the state treasurer has made a determination, from information required in the notice of intent and from any other information known to the state treasurer, that no reason exists to issue an order of denial.

History: 1986 AACS.

#### R 132.1206 Determination of deficit.

Rule 206. Generally accepted accounting principles and generally accepted auditing standards shall be used in determining if the municipality has ended its last fiscal year with a deficit condition in 1 or more funds.

History: 1986 AACCS.

R 132.1207 Deficit elimination plan.

Rule 207. (1) A deficit elimination plan for a school district or intermediate school district that has been filed, certified, approved, and instituted in conjunction with the department of education shall be considered to be sufficient for the purposes of section 11(3)(a) of chapter III of the act.

(2) If a deficit is determined to exist for a school district or intermediate school district pursuant to R 132.1206, and if the department of education does not require a deficit elimination plan to be filed with that department, a deficit elimination plan which has been filed, certified, and approved by treasury shall be considered to be sufficient for the purposes of section 11(3)(a) of chapter III of the act.

(3) If a deficit is determined to exist for a municipality, other than a school district or intermediate school district, pursuant to R 132.1206, a deficit elimination plan which has been filed, certified, and approved by treasury as required by section 21 of Act No. 140 of the Public Acts of 1971, as amended, being S141.921 of the Michigan Compiled Laws, shall be considered to be sufficient for the purposes of section 11(3)(a) of chapter III of the act.

History: 1986 AACCS.

R 132.1208 Filing fee for notice of intent; exception.

Rule 208. A filing fee shall be payable for each notice of intent, except for additional notices of intent required to be filed under R 132.1111 and R 132.1209.

History: 1986 AACCS.

R 132.1209 Multiple participants; separate filing of audit report and notice of intent; waiver.

Rule 209. (1) When the issuer of an obligation is a municipality with a contractual agreement with 1 or more other municipalities relating to the proposed obligation, or when a municipality other than the issuer shall have pledged revenues or its full faith and credit to secure repayment of the obligation, then each municipality shall separately comply with R 132.1202 and file a separate notice of intent. Each municipality shall separately meet all of the standards for an exception from prior approval under section 11 of chapter III of the act before an order providing exception is issued.

(2) The requirements of subrule (1) of this rule may be waived by the state treasurer upon written request of the issuer municipality.

History: 1986 AACCS.

R 132.1210 Separate obligations; separate orders.

Rule 210. A completed filing shall be required and a separate order shall be issued for each issue of bonds or notes. If an issue is sold or to be sold in more than 1 series, a separate completed filing and separate order shall be required for each series, unless all series are to be sold concurrently with the same source of repayment.

History: 1986 AACCS.

R 132.1211 Insufficient amount of obligation; request for amended order.



Rule 211. If the maximum amount of obligation authorized in the order providing exception is not sufficient, the municipality shall return the signed order with a letter requesting an amended order providing exception and a completed filing for the revised amount of the obligation. Issuance of an amended order providing exception shall invalidate all previous orders relating to the obligation, except as may be provided in the amended order.

History: 1986 AACCS.

R 132.1212 Bonds; debt retirement funds; waiver.

Rule 212. (1) Unless otherwise permitted by statute, a separate debt retirement fund shall be established for each obligation to be used only for the purpose of retiring the debt for which the fund was created until retirement of the obligation payable from that fund. The money in each fund shall be accounted for separately and deposited in separate bank accounts. School districts may, when permitted by statute or as provided in subrule (2) of this rule, establish a common debt retirement fund or funds, and each common debt retirement fund shall be kept separate and be used only for the purpose of retiring the various obligations for which the fund or funds were created. The money in each common debt retirement fund shall be kept in a bank account which is separate from other moneys of the school district.

(2) The debt retirement funds for all general obligation school bond issues that have been qualified by the department of education may be combined in 1 common debt retirement fund. The debt retirement funds for all general obligation school bond issues that have not been qualified by the department of education may be combined in 1 common debt retirement fund. Separate debt retirement funds shall be maintained for each bond issue for each school bond issued before July 1, 1975, and as required by bond covenants.

History: 1986 AACCS.

R 132.1213 Sale of bond after date of first principal maturity prohibited; waiver.

Rule 213. (1) A bond issue shall not be sold after the date of the first principal maturity.

(2) The requirements of subrule (1) of this rule may be waived by the state treasurer upon written request of the municipality.

History: 1986 AACCS.

R 132.1214 Bonds; follow-up documentation.

Rule 214. With respect to bonds, a municipality shall, within 10 days after the delivery of an obligation, file all of the following documents with the division:

(a) A certified copy of the adopted resolution or ordinance authorizing the issuance of the bonds and specifying the bond details, including the notice of sale, if any.

(b) A copy of the award resolution or report of the bids received.

(c) A specimen copy of the bonds.

(d) A letter certifying the date of delivery.

(e) A copy of the agreement, contract, or commitment if the municipality was authorized to enter into any of the following:

(i) Insurance contracts.

(ii) Agreements for lines of credit.

(iii) Commitments to purchase obligations.

(iv) Remarketing agreements.

(v) Reimbursement agreements.

(vi) Any other transactions to provide security to assure timely payment of an obligation.

History: 1986 AACCS.

R 132.1215 Tax anticipation notes; borrowing limitations.

Rule 215. (1) Tax anticipation notes to be issued for the purpose of operating the municipality or for the purpose of paying debt service charges in the current fiscal year and against taxes to be levied in the current fiscal year shall not be authorized in an amount that will exceed 50% of the prior year's operating tax levy or debt service for which the millage still remains in effect for the current fiscal year.

(2) Tax anticipation notes to be issued for the purpose of operating the municipality or for the purpose of paying debt service charges in the current fiscal year and against taxes to be levied in the next succeeding fiscal year shall not be authorized in an amount that will exceed 50% of the current fiscal year's operating tax levy or debt service levy for which the millage will remain in effect for the next succeeding fiscal year.

(3) Tax anticipation notes to be issued for the purpose of operating the municipality or to pay debt service charges in the current fiscal year and against taxes already levied for the current fiscal year shall not be authorized in an amount that will exceed 75% of the current fiscal year's operating tax levy or debt service levy which has been levied and remains uncollected at the time of passing the authorizing resolution.

(4) Tax anticipation notes to be issued for capital improvement purposes in the current fiscal year and against capital improvement taxes to be levied in the current fiscal year or the next succeeding fiscal year shall not be authorized in an amount that will exceed the amount of the taxes levied or to be levied for such purposes less estimated delinquencies and less projected interest to be paid on the notes.

(5) Any outstanding tax anticipation notes previously approved by treasury which pledge the same taxes as the proposed notes and which remain outstanding shall be deducted from the sum permitted to be borrowed.

History: 1986 AACS.

R 132.1216 Tax anticipation notes; set-aside calculation.

Rule 216. The minimum amount of taxes to be set aside for repayment of the debt evidenced by tax anticipation notes shall be computed as follows:

(a) For current fiscal year operating or debt notes: The ratio of the principal amount of the note to the total operating or debt tax levy anticipated to be collected in the current fiscal year as of the due date of the note, multiplied by 1.25 until the amount set aside is sufficient for the payment of the principal and interest on the notes.

(b) For next succeeding fiscal year operating or debt notes: The ratio of the principal amount of the note to the total operating or debt tax levy anticipated to be collected in the next succeeding fiscal year as of the due date of the note, multiplied by 1.25 until the amount set aside is sufficient for the payment of the principal and interest on the notes.

(c) For capital improvement notes: The ratio of the capital improvement levy to the total levy of the municipality until the amount set aside is sufficient for the payment of the principal and interest on the notes.

(d) Alternative computations which meet the minimum statutory requirements may be submitted if treasury finds such computation acceptable.

History: 1986 AACS.

R 132.1217 Acceptable forms for resolution authorizing issuance of tax anticipation notes and notice of sale; charges.

Rule 217. Acceptable forms for the resolution authorizing the issuance of tax anticipation notes and the resolution authorizing the notice of sale shall be available from the office of the division upon request. Charges shall be based on the cost of duplicating the form for requests of more than 5 copies of any form.

History: 1986 AACS.

R 132.1218 Tax anticipation notes; maturity date; resolutions to be signed by secretary of board of education; issuance of notes.

Rule 218. (1) The maturity date on tax anticipation notes shall be not later than 5 months after the final tax levy is due and payable, unless otherwise approved by treasury.

(2) Resolutions submitted by a school district or intermediate school district shall be signed by the secretary of the board of education.

(3) Tax anticipation notes shall be issued only for the payment of operating expenses, debt retirement, or capital improvements.

History: 11986 AACCS.

R 132.1219 Tax anticipation notes; follow-up documentation.

Rule 219. With respect to tax anticipation notes, a municipality shall, within 10 days after the delivery of an obligation, file all of the following documents with the division:

(a) A certified copy of the adopted resolution authorizing the issuance of the notes and containing an irrevocable pledge for the levying of a tax and the repayment of the notes from the receipt of taxes.

(b) A copy of the award resolution or report of bids received.

(c) A letter certifying the date of delivery.

History: 1986 AACCS.

R 132.1220 Consolidated tax anticipation notes; follow-up documentation.

Rule 220. (1) With respect to consolidated tax anticipation notes, the city shall, within 10 days after the delivery of an obligation, file all of the following documents with the division:

(a) A certified copy of the adopted resolution authorizing the issuance of the notes and pledging the source of the repayment of the notes.

(b) The official statement.

(c) A copy of the award resolution or report of the bids received.

(d) When the obligation is sold at a public sale, proof of publication of the official notice of sale in a publication authorized in the act.

(e) A letter certifying the date of delivery.

(2) The city shall, within 7 months of the tax levy date, file certification of all of the following with the division:

(a) The amount of taxes received for each and all of the local taxing units during the first 5-month period after the tax levy date.

(b) The amount of taxes set aside, pursuant to section 3b(5) and (6) of chapter IV of the act, from the taxes levied for each and all of the local taxing units during the first 5-month period after the tax levy date.

(c) The amount and the date or dates that the outstanding notes were paid, redeemed, or otherwise retired within 6 months of the tax levy date.

History: 1986 AACCS.

### PART 3. BOND APPLICATIONS-PRIOR APPROVAL

R 132.1301 Definitions.

Rule 301. As used in this part:

(a) "Application" means treasury form number F-3301 or a subsequent amendment or replacement.

(b) "Completed filing" means all of the following:

(i) The completed application.

(ii) Copies of all federal, state, and local permits for the project or projects required at the time of filing.

(iii) A certified copy of the adopted resolution or ordinance authorizing the issuance of the bonds, specifying the bond details, including the notice of sale, if any, and authorizing the utilization of a credit enhancement, if any.

(iv) Certified copies of all other resolutions, ordinances, offer and acceptance forms on grants, or other legal documents as may be required by treasury.

(v) A copy of the budget or proposed budget of the issuing municipality for the current fiscal year unless previously submitted.

(vi) If a resolution was adopted at a special meeting and if any member of the governing body was absent, notarized proofs of call and posting or a waiver or waivers of notice.

(vii) A copy of the agreement, contract, or commitment if a municipality is authorized, by resolution, to enter into any of the following:

(A) Insurance contracts.

(B) Agreements for lines of credit.

(C) Commitments to purchase obligations.

(D) Remarketing agreements.

(E) Reimbursement agreements.

(F) Any other transactions to provide security to assure timely payment of an obligation.

(viii) A feasibility study, if one has been prepared.

(c) "Order" means either an order of approval or an order of denial pursuant to section 2(1)(a) of chapter II of the act.

(d) "Order of denial" means an order denying the authorization to issue proposed bonds.

History: 1986 AACS.

R 132.1302 Completed filing.

Rule 302. All bond documentation constituting a completed filing shall be submitted in 1 package to the division. An incomplete filing may be returned.

History: 1986 AACS.

R 132.1303 Multiple participants; filing of separate applications; waiver.

Rule 303. (1) When the bond issuer is a municipality with a contractual agreement with 1 or more municipalities relating to the proposed obligation, or when a municipality other than the issuer shall have pledged revenues or its full faith and credit to secure the repayment of the obligation, then each municipality other than the issuing municipality shall also file a separate application, completing all of the following sections:

(a) Certification.

(b) Security.

(c) Tax information.

(d) State equalized valuation information.

(e) Debt information.

(f) Ten largest property taxpayers.

(g) Ten largest employers and employment data.

(2) The requirements of subrule (1) of this rule may be waived by the state treasurer.

History: 1986 AACS.

R 132.1304 Permits and certifications; waiver.

Rule 304. (1) If bonds are to be qualified bonds, a school district shall file, with the division, a certificate of qualification from the department of education. Upon receipt by the division of the certificate, approval may be granted.

(2) All preliminary federal, state, and local permits required for a project shall have been obtained before approval may be granted.

(3) The requirements of subrule (2) of this rule shall be waived by the state treasurer upon written request of the municipality on treasury form number F-3306 or a subsequent amendment or replacement if the state treasurer finds that the municipality is unable to receive the permits prior to approval and finds them to be inconsequential to the approval. The request shall be documented with an explanation of the inability to receive the permits required by subrule (2).

History: 1986 AACCS.

R 132.1305 Project costs.

Rule 305. (1) All project cost sheets as a part of the bond application shall include the anticipated interest to be earned on the bond proceeds. The bond application shall also include supporting documentation, including both of the following:

(a) A projected cash flow schedule showing the moneys available for investment and the anticipated interest thereon.

(b) The interest rate used to calculate the estimated earnings, which shall bear a conservative relationship to the then investment rate for investments of a similar type and duration.

(2) All estimated project costs shall be included in the cost sheet for each completed filing.

(3) Documentation shall be provided to indicate that all estimated project costs, except the portion to be paid from bond proceeds, are either on hand and available for the project or irrevocably committed and available to the project.

(4) The requirements of subrule (3) of this rule shall be waived by the state treasurer upon written request of the municipality on treasury form number F-3306 or a subsequent amendment or replacement if the state treasurer finds that the advantages outweigh the disadvantages.

History: 1986 AACCS.

R 132.1306 Debt retirement funds.

Rule 306. (1) Unless otherwise permitted by the act or other acts authorizing the issuance of obligations, there shall be established a separate debt retirement fund for each obligation to be used only for the purpose of retiring the debt for which the fund was created until retirement of the obligation payable from that fund. The money in each fund shall be accounted for separately and deposited in separate bank accounts. School districts may, when permitted by statute, establish a common debt retirement fund or funds, and each common debt retirement fund shall be kept separate and be used only for the purpose of retiring the various obligations for which the fund or funds were created. The money in each common debt retirement fund shall be kept in a bank account which is separate from other moneys of the school district.

(2) The debt retirement funds for all general obligation school bond issues that have been qualified by the department of education may be combined in 1 common debt retirement fund. The debt retirement funds for all general obligation school bond issues that have not been qualified by the department of education may be combined in 1 common debt retirement fund. Separate debt retirement funds shall be maintained for each bond issue for each school bond issued before July 1, 1975, and as required by bond covenants.

History: 1986 AACCS.

R 132.1307 Sale of bond after date of first principal maturity prohibited; waiver.

Rule 307. (1) A bond issue shall not be sold after the date of the first principal maturity.

(2) The requirements of subrule (1) of this rule may be waived by the state treasurer upon written request of the municipality.

History: 1986 AACCS.

R 132.1308 Follow-up documentation after delivery of obligation.

Rule 308. The municipality shall, within 10 days after the delivery of an obligation, file all of the following documents with the division:

- (a) A copy of the award resolution or report of the bids received.
- (b) A specimen copy of the bonds.
- (c) A letter certifying the date of delivery.

History: 1986 AACCS.

#### PART 4. REFUNDING OBLIGATIONS-PRIOR APPROVAL

R 132.1401 Definitions.

Rule 401. As used in this part:

- (a) "Application" means treasury form number F-3301 or a subsequent amendment or replacement.
- (b) "Completed filing" means all of the following:
  - (i) The completed application.
  - (ii) A certified copy of the adopted resolution or ordinance authorizing the issuance of the refunding obligations; specifying the obligation details, including the notice of sale, if any; and authorizing the utilization of a credit enhancement, if any.
  - (iii) Certified copies of all other resolutions, ordinances, or other legal documents as related to the refunding and as may be required by treasury.
  - (iv) If a resolution was adopted at a special meeting and if any member of the governing body was absent, notarized proofs of call and posting or a waiver or waivers of notice.
  - (v) An analysis of the projected financial impact of the proposed refunding which shall be satisfactory to treasury.
  - (vi) A copy of the budget or proposed budget of the issuing municipality for the current fiscal year unless previously submitted.
  - (vii) A copy of the agreement, contract, or commitment if a municipality is authorized, by resolution, to enter into any of the following:
    - (A) Insurance contracts.
    - (B) Agreements for lines of credit.
    - (C) Commitments to purchase obligations.
    - (D) Remarketing agreements.
    - (E) Reimbursement agreements.
    - (F) Any other transactions to provide security to assure timely payment of an obligation.
- (c) "Order" means either an order of approval or an order of denial pursuant to section 2(1)(a) of chapter II of the act.
- (d) "Order of denial" means an order denying the authorization to issue the proposed refunding obligations.

History: 1986 AACCS.

R 132.1402 Completed filing.

Rule 402. All refunding obligation documentation constituting a completed filing shall be submitted in 1 package to the division. An incomplete filing may be returned.

History: 1986 AACCS.

R 132.1403 Multiple participants; filing of separate applications; waiver.

Rule 403. (1) When the issuer of a refunding obligation is a municipality with a contractual agreement with 1 or more municipalities relating to the proposed obligation, or when a municipality other than the issuer shall have pledged revenues or its full faith and credit to secure the repayment of the

obligation, then each municipality other than the issuing municipality shall also file a separate application, completing all of the following sections:

- (a) Certification.
  - (b) Security.
  - (c) Tax information.
  - (d) State equalized valuation information.
  - (e) Debt information.
  - (f) Ten largest property taxpayers.
  - (g) Ten largest employers and employment data.
- (2) The requirements of subrule (1) of this rule may be waived by the state treasurer.

History: 1986 AACS.

R 132.1404 Issuance of refunding bonds or certificates of indebtedness; terms and conditions.

Rule 404. Refunding bonds or certificates of indebtedness shall not be issued unless all of the following terms and conditions are met:

- (a) Sufficient revenues are projected to be available to pay the debt service on the refunding obligations when due and any contingent liability created by the use of the credit enhancement, if any.
- (b) Sufficient funds are projected to be available to retire, pay or fund the principal, interest, and redemption premiums, if any, on the obligation to be refunded.
- (c) The refunding is determined by the state treasurer to be in the public interest, such as for 1 or more of the following reasons:
  - (i) To avoid default of an outstanding obligation.
  - (ii) To remove restrictive conditions from outstanding bond-related covenants.
  - (iii) To reduce the net cost of the refunded obligation.
  - (iv) To accomplish a net savings with the refunding obligation.
  - (v) To improve a consolidated debt repayment schedule.
  - (vi) To improve any condition of the outstanding obligation which may be detrimental to the municipality or its taxpayers or rate payers.

History: 1986 AACS.

R 132.1405 Follow-up documentation.

Rule 405. (1) With respect to refunding obligations, a municipality shall, within 10 days after the delivery of an obligation, file all of the following documents with the division:

- (a) The official statement, if any.
  - (b) A copy of the award resolution, bond purchase agreement, or report of the bids received.
  - (c) When the obligation is sold at a public sale, proof of publication of the official notice of sale in a publication authorized in the act.
  - (d) A specimen copy of the bonds.
  - (e) A letter certifying the date of delivery.
- (2) The municipality shall, within 30 days after the delivery of an obligation, file either of the following with the division:
- (a) Evidence of payment of the refunded obligation.
  - (b) Evidence of compliance with a previously approved requirement providing for payment of the refunded obligation.
- (3) The municipality shall, within 30 days after the refunded obligation is finally paid, file with the division proof of the cancellation of such obligation.

History: 1986 AACS.

R 132.1501 Definitions.

Rule 501. As used in this part:

- (a) "Application" means treasury form number F-3334 or a subsequent amendment or replacement.
- (b) "Completed filing" means all of the following:
  - (i) The completed application.
  - (ii) A certified copy of the adopted resolution authorizing the issuance of the notes and containing an irrevocable pledge for the levying of a tax and the repayment of the notes from the receipt of taxes.
  - (iii) The adopted resolution authorizing the notice of sale if the borrowing is for \$100,000.00 or more.
  - (iv) A copy of the budget or proposed budget for the fiscal year of the tax levy against which the notes will be issued.
  - (v) If a resolution was adopted at a special meeting and if any member of the governing body was absent, notarized proofs of call and posting, or a waiver or waivers of notice.
  - (vi) A copy of the agreement, contract, or commitment if a municipality is authorized, by resolution, to enter into any of the following:
    - (A) Insurance contracts.
    - (B) Agreements for lines of credit.
    - (C) Commitments to purchase obligations.
    - (D) Remarketing agreements.
    - (E) Reimbursement agreements.
    - (F) Any other transactions to provide security to assure timely payment of an obligation.
- (c) "Order" means either an order of approval or an order of denial pursuant to section 2(1)(a) of chapter II of the act.
- (d) "Order of denial" means an order denying the authorization to issue proposed tax anticipation notes.

History: 1986 AACCS.

R 132.1502 Completed filing.

Rule 502. All tax anticipation note documentation constituting a completed filing shall be submitted in 1 package to the division. An incomplete filing may be returned.

History: 1986 AACCS.

R 132.1503 Borrowing limitations.

Rule 503. (1) Tax anticipation notes to be issued for the purpose of operating the municipality or for the purpose of paying debt service charges in the current fiscal year and against taxes to be levied in the current fiscal year shall not be authorized in an amount that will exceed 50% of the prior year's operating tax levy or debt service levy for which the millage still remains in effect for the current fiscal year.

(2) Tax anticipation notes to be issued for the purpose of operating the municipality or for the purpose of paying debt service charges in the current fiscal year and against taxes to be levied in the next succeeding fiscal year shall not be authorized in an amount that will exceed 50% of the current fiscal year's operating tax levy or debt service levy for which the millage will remain in effect for the next succeeding fiscal year.

(3) Tax anticipation notes to be issued for the purpose of operating the municipality or to pay debt service charges in the current fiscal year and against taxes already levied for the current fiscal year shall not be authorized in an amount that will exceed 75% of the current fiscal year's operating tax levy or debt service levy which has been levied and remains uncollected at the time of passing the authorizing resolution.

(4) Notes to be issued for capital improvement purposes in the current fiscal year and against capital improvement taxes to be levied in the current fiscal year or the next succeeding fiscal year shall not be authorized in an amount that will exceed the amount of the taxes levied or to



be levied for such purposes, less estimated delinquencies and less projected interest to be paid on the notes.

(5) Any outstanding notes previously approved by treasury, pledging the same taxes as the proposed notes, and remaining outstanding shall be deducted from the sum permitted to be borrowed.

History: 1986 AACS.

R 132.1504 Cash flow statement.

Rule 504. (1) The application shall include a page known as a cash flow statement. The cash flow statement shall include a statement of the taxes to be set aside for payment of the notes as pledged in the resolution and computed as in R 132.1505.

(2) The cash flow statement shall be completed for the period beginning with the first month in which actual figures are known and projected through the end of the fiscal year in which the notes mature.

History: 1986 AACS.

R 132.1505 Set-aside calculation.

Rule 505. The minimum amount of taxes to be set aside for repayment of the debt evidenced by tax anticipation notes shall be computed as follows:

(a) For current fiscal year operating or debt notes: The ratio of the principal amount of the note to the total operating or debt tax levy anticipated to be collected in the current fiscal year as of the due date of the note, multiplied by 1.25 until the amount set aside is sufficient for the payment of the principal and interest on the notes.

(b) For next succeeding fiscal year operating or debt notes: The ratio of the principal amount of the note to the total operating or debt tax levy anticipated to be collected in the next succeeding fiscal year as of the due date of the note, multiplied by 1.25 until the amount set aside is sufficient for the payment of the principal and interest on the notes.

(c) For capital improvement notes: The ratio of the capital improvement levy to the total levy of the municipality until the amount set aside is sufficient for the payment of the principal and interest on the notes.

(d) Alternative computations which meet the minimum statutory requirements may be submitted if treasury finds such computation acceptable.

History: 1986 AACS.

R 132.1506 Acceptable forms for resolution authorizing issuance of notes and notice of sale; charges.

Rule 506. Acceptable forms for the resolution authorizing the issuance of tax anticipation notes and the resolution authorizing the notice of sale shall be available from the office of the division upon request. Charges shall be based on the cost of duplicating the form for requests of more than 5 copies of any form.

History: 1986 AACS.

R 132.1507 Maturity date of tax anticipation notes; resolutions to be signed by secretary of board of education; issuance of notes.

Rule 507. (1) The maturity date on tax anticipation notes shall be not later than 5 months after the final tax levy is due and payable, unless otherwise approved by treasury.

(2) Resolutions submitted by a school district or intermediate school district shall be signed by the secretary of the board of education.

(3) Tax anticipation notes shall be issued only for the payment of operating expenses, debt retirement, or capital improvements.

History: 1986 AACCS.

R 132.1508 Follow-up documentation.

Rule 508. The municipality shall, within 10 days after the delivery of an obligation, file both of the following with the division:

- (a) A copy of the award resolution or report of the bids received.
- (b) A letter certifying the date of delivery.

History: 1986 AACCS.

#### PART 6. CONSOLIDATED TAX ANTICIPATION NOTES-PRIOR APPROVAL

R 132.1601 Definitions.

Rule 601. As used in this part:

- (a) "Application" means treasury form number F-3334 or a subsequent amendment or replacement.
- (b) "Completed filing" means all of the following:
  - (i) The completed application.
  - (ii) A certified copy of the adopted resolution authorizing the issuance of the notes and pledging the source of the repayment of the notes.
  - (iii) A certified copy of the resolutions adopted by each of the local taxing units in compliance with section 3b(7) of chapter IV of the act.
  - (iv) If a resolution was adopted at a special meeting and if any member of the governing body was absent, notarized proofs of call and posting or a waiver or waivers of notice.
  - (v) A certified copy of the written notices provided to each of the local taxing units in compliance with section 3b(7) of chapter IV of the act.
  - (vi) A copy of the credit enhancement required by section 3b(9) of chapter IV of the act.
  - (vii) A certified schedule which includes the state equalized valuation, millage rates, and millage levies for each and all of the local taxing units.
  - (viii) A copy of the budget or proposed budget for the fiscal year of the tax levy against which the notes will be issued.
  - (ix) An audited financial statement for the fiscal year most recently completed, if not previously filed with treasury.
  - (x) An unaudited financial statement for any year between the years designated in paragraphs (viii) and (ix) of this subdivision.
  - (xi) The preliminary official statement or official statement, if available.
- (c) "Consolidated tax anticipation notes" means notes issued in anticipation of the collection of the issuing city's taxes or in anticipation of the collection of the taxes levied by any or all of the other municipalities for which the issuing city acts as the local property tax collecting unit and as authorized by section 3b of chapter IV of the act.
- (d) "Order" means either an order of approval or an order of denial pursuant to section 2(1)(a) of chapter II of the act.
- (e) "Order of denial" means an order denying the authorization to issue the proposed notes.

History: 1986 AACCS.

R 132.1602 Completed filing.

Rule 602. All consolidated tax anticipation note documentation constituting a completed filing shall be submitted in 1 package to the division. An incomplete filing may be returned.

History: 1986 AACCS.

R 132.1603 Cash flow statement.

Rule 603. (1) The consolidated tax anticipation note application includes a page known as a cash flow statement. The cash flow statement shall include the revenues and expenditures projected for the issuing city, including taxes and note proceeds received for, and disbursed to, local taxing units.

(2) The cash flow statement shall be completed for the period beginning with the first month in which actual figures are known and projected through the end of the fiscal year.

History: 1986 AACS.

R 132.1604 Follow-up documentation.

Rule 604. (1) The city shall, within 10 days after the delivery of an obligation, file all of the following documents with the division:

(a) The official statement.

(b) A copy of the award resolution or report of the bids received.

(c) When the obligation is sold at a public sale, proof of publication of the official notice of sale in a publication authorized in the act.

(d) A letter certifying the date of delivery.

(2) The city shall, within 7 months of the tax levy date, file certification of all of the following with the division:

(a) The amount of taxes received for each and all of the local taxing units during the first 5-month period after the tax levy date.

(b) The amount of taxes set aside, pursuant to section 3b(5) and (6) of chapter IV of the act, from the taxes levied for each and all of the local taxing units during the first 5-month period after the tax levy date.

(c) The amount and the date or dates that the outstanding notes were reduced within 6 months of the tax levy date.

History: 1986 AACS.

## PART 7. DEBT RETIREMENT FUND TRANSFERS

R 132.1701 Definitions.

Rule 701. As used in this part:

(a) "Application" means treasury form number F-3393 entitled "Request for Permission to Transfer Debt Retirement Funds Under 1943, P.A. 202, as amended" or a subsequent amendment or replacement.

(b) "Completed filing" means all of the following:

(i) The application.

(ii) Resolution authorizing the transfer.

(iii) A statement from the paying or transfer agent that all bonds and coupons have been paid and canceled.

(iv) A statement from the auditor or chief financial officer if the amounts are different from the amounts reported in the last audit report filed with the division.

(v) Additional relevant information.

History: 1986 AACS.

R 132.1702 Completed filing.

Rule 702. All debt retirement fund transfer documentation constituting a completed filing shall be submitted in 1 package to the division. An incomplete filing may be returned.

History: 1986 AACS.

R 132.1703 Obligations outstanding.

Rule 703. Moneys remaining in a debt retirement fund shall be authorized for transfer only to another debt retirement fund if the municipality has any other debt retirement funds open with obligations outstanding.

History: 1986 AACS.

R 132.1704 Obligations not outstanding.

Rule 704. If there are no outstanding obligations, and subject to R 132.1705, the money remaining in a debt retirement fund after all bonds and coupons have been canceled may be transferred to any other fund of the municipality to the extent consistent with statute.

History: 1986 AACS.

R 132.1705 Procedure.

Rule 705. The transfer of moneys shall be accomplished as follows:

(a) Before the final principal payment, the municipality shall adopt a resolution requesting approval to transfer the excess debt retirement funds from the following agency:

(i) The state treasurer, if the bonds originally received the prior approval of the state treasurer or of the municipal finance commission.

(ii) The governing body of the municipality, if the bonds received an exception from prior approval.

(b) If the municipality failed to adopt a resolution requesting approval to transfer the excess debt retirement funds before the final principal payment, the municipality shall wait 2 years after the final principal payment, and then such transfer shall be accomplished upon approval of the governing body of the municipality.

History: 1986 AACS.

## PART 8. HEARINGS AND RECONSIDERATION

R 132.1801 Definitions.

Rule 801. As used in this part:

(a) "Adverse action" means any of the following:

(i) Denial of a request to issue an obligation in whole or in part.

(ii) Denial of a request for exception from prior approval for the issuance of an obligation.

(iii) Reduction in the requested amount of an obligation.

(b) "Final order" means notice of all of the following:

(i) The action taken by treasury.

(ii) The date the action was taken.

(iii) The reason for the action.

(iv) The statute, rule, or guideline under which the action is taken.

(c) "Hearing" means a hearing held pursuant to sections 71 to 87 of Act No. 306 of the Public Acts of 1969, as amended, being SS24.271 to 24.287 of the Michigan Compiled Laws.

(d) "Hearing authority" means the state treasurer.

(e) "Hearing officer" means the person appointed by the state treasurer to hold hearings under this part.

(f) "Notice," when notification by the state treasurer is indicated or required, means notice which meets the requirements of section 71(2) of Act No. 306 of the Public Acts of 1969, as amended, being S24.271(2) of the Michigan Compiled Laws. Notifications shall be by certified or registered mail, with return receipt requested, to the last address of the designated representative of the municipality on file with the division.

History: 1986 AACS.

R 132.1802 Request for reconsideration of final order.

Rule 802. (1) In any case where there has been a final order of an adverse action as defined in R 132.1801, a municipality may request reconsideration of the final order.

(2) A request signed by a municipal official for reconsideration shall be in writing, addressed to the division, and be received within 30 days of the date of the final order.

(3) If reconsideration is requested, the request shall comply with all of the following provisions:

(a) Identify those aspects of the final order with which the municipality is dissatisfied.

(b) Explain why the municipality believes the determination is incorrect.

(c) Set forth the relief requested.

(d) Be submitted with any documentary evidence the municipality considers necessary to support its position.

(4) Upon request, treasury shall reconsider the adverse action within 10 days of the date the request for reconsideration is received in the division office and shall issue a new final order.

(5) A request for reconsideration of a final order shall preclude the municipality from simultaneously requesting a hearing pursuant to these rules. A request for reconsideration shall not preclude the municipality from subsequently requesting a hearing pursuant to these rules.

History: 1986 AACCS.

R 132.1803 Hearing; request.

Rule 803. (1) In any case where there has been a final order of an adverse action, as defined in R 132.1801, a municipality is entitled to a hearing.

(2) A request signed by a municipal official for a hearing shall be in writing, addressed to the division, and be received within 30 days of the date of the final order.

(3) If a hearing is not requested within 30 days of the date of the final order, the final order shall be a final and binding administrative determination not subject to further review.

(4) If a hearing is requested, the request shall comply with all of the following provisions:

(a) Identify those aspects of the final order with which the municipality is dissatisfied.

(b) Explain why the municipality believes the determination is incorrect.

(c) Set forth the relief requested.

(d) Be submitted with any documentary evidence the municipality considers necessary to support its position.

History: 1986 AACCS.

R 132.1804 Hearing; representative.

Rule 804. (1) In any pending procedure, a municipality shall appear and be heard through a designated representative.

(2) The designated representative shall file, with the division, the written authorization of the governing body of the municipality to appear on behalf of the municipality and a written notice of appearance on behalf of a municipality which identifies the municipality represented and the representative by name, address, and telephone number.

History: 1986 AACCS.

R 132.1805 Hearing; filings.

Rule 805. (1) All papers filed in a proceeding shall be typewritten and double spaced on white paper, using 1 side of the paper only. The papers shall have a cover sheet with a caption clearly showing the title of the proceeding in connection with which such papers are filed, together with the file number, if any.

(2) All papers filed in a proceeding shall be signed by the designated

representative and shall contain the signer's business address and telephone number. The original shall be filed with the division.

History: 1986 AACCS.

R 132.1806 Hearing; service of documents.

Rule 806. (1) All papers, notices, and other documents shall be served by the municipality filing them upon all other parties to the proceeding. Proof of that service upon parties shall be filed with the division.

(2) Service shall be made by delivering, in person, or by depositing in the United States mail, properly addressed with postage prepaid, 1 copy of the paper, notice, or other document to each party entitled thereto. When any party has a designated representative, service upon the designated representative shall be deemed service upon the party.

(3) Proof of service of a document shall be by affidavit or acknowledgment.

History: 1986 AACCS.

R 132.1807 Hearing; computation of time.

Rule 807. In computing any period of time prescribed or allowed, the day of the act, event, or default after which the designated period of time begins to run is not included. The last day of the period so computed is included, unless it is a Saturday, Sunday, or legal holiday. When the period of time prescribed is 7 days or less, intermediate Saturdays, Sundays, and legal holidays shall be excluded from the computation.

History: 1986 AACCS.

R 132.1808 Hearing; effect of signing document.

Rule 808. The signature of a person signing a document constitutes a certification that he or she has read the document and that, to the best of his or her knowledge, information, and belief, every statement contained in the instrument is true.

History: 1986 AACCS.

R 132.1809 Hearing; time extensions or postponements.

Rule 809. Upon good cause shown, the hearing officer may grant extensions of time or postponements of a hearing.

History: 1986 AACCS.

R 132.1810 Prehearing conference.

Rule 810. (1) The hearing officer, on his or her own motion or at the request of the municipality or treasury, may hold a prehearing conference, to be held in an office or place designated by the hearing officer. The conference shall be convened for the following purposes:

(a) The simplification of factual and legal issues.

(b) The necessity or desirability of amendments to the pleadings.

(c) The making of admissions or stipulations of fact, including all material facts that are pertinent to the dispute.

(d) The identification of witnesses and the exchange of information regarding the subject matter of their testimony.

(e) The identification and exchange of documentary evidence to be introduced at the hearing.

(f) The consideration of the possibilities for settlement of the issues.

(g) The discussion of such other matters as may aid in the

simplification and disposition of the proceedings.

(2) A prehearing conference report shall be filed by the hearing officer and mailed to the parties, but shall not be binding on the parties.

History: 1986 AACS.

R 132.1811 Hearing officer; duties.

Rule 811. A hearing officer may do any of the following:

- (a) Rule upon offers of proof and the admissibility of evidence.
- (b) Hold conferences before or during the hearings for the purpose of simplification of issues and for such other purposes as the demands of justice require.
- (c) Rule on motions and dispose of procedural requests or similar matters.
- (d) Prescribe general rules of hearing conduct.

History: 1986 AACS.

R 132.1812 Hearing; notice.

Rule 812. Notice of the time, date, and place of hearing and the name of the hearing officer shall be mailed to the designated representative not less than 10 days before the date of the hearing.

History: 1986 AACS.

R 132.1813 Hearing; procedure; response.

Rule 813.

(1) Hearing procedure shall be in compliance with the provisions of sections 71 to 87 of Act No. 306 of the Public Acts of 1969, as amended, being SS24.271 to 24.287 of the Michigan Compiled Laws. The hearing officer shall receive in evidence the relevant testimony of witnesses and any documents which are relevant and material to the subject of the hearing pursuant to section 75 of Act No. 306 of the Public Acts of 1969, as amended, being S24.275 of the Michigan Compiled Laws. The order in which evidence and allegations are presented, and the procedure at the hearing, shall be at the discretion of the hearing officer.

(2) The municipality, upon its request, shall be allowed a reasonable time, not to exceed 15 days after the close of the hearing, for the filing of written statements in support of its positions.

History: 1986 AACS.

R 132.1814 Hearing; record.

Rule 814. A complete record of the proceedings at the hearing shall be made. The testimony shall be transcribed and copies of other documentary evidence shall be reproduced in any case when directed by the hearing officer or requested by treasury. The record shall also be transcribed and reproduced at the request of the municipality if the municipality bears the cost thereof.

History: 1986 AACS.

R 132.1815 Hearing; decision; filing of exceptions.

Rule 815. (1) As soon as practicable after the close of a hearing, the hearing officer shall prepare a recommended decision in the case, which shall be based upon the evidence adduced at the hearing or otherwise included in the record. The recommended decision shall be made in writing and shall contain findings of fact and conclusions of law. A copy of the recommended decision shall be mailed by first-class mail to the municipality at the designated representative's last known address.

(2) A municipality may, within 15 days of the date of issuance of the hearing officer's decision, file exceptions with the division for the consideration of the hearing authority. The exceptions shall be made a part of the record.

History: 1986 AACs.

R 132.1816 Hearing; final decision.

Rule 816. The hearing authority shall render a final decision in each case based upon the evidence in the record not later than 45 days after the hearing officer's recommended decision is made. The decision shall be made in writing. A copy of the decision shall be mailed by first-class mail to the municipality at the designated representative's last known address. Copies of all decisions of the hearing authority shall be accessible to the public at the division. Copies may be obtained at actual cost.

History: 1986 AACs.