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## Bulletin 8

### Public Act 34 of 2001, Revised Municipal Finance Act

#### Application to Issue Long-Term Municipal Securities; Changes to Filing Process

**Issued By:** Local Government Financial Services Division  
Bureau of Local Government Services

**Effective Date: December 9, 2015**

Public Act 34 of 2001, the Revised Municipal Finance Act, Section 303(7), requires municipalities denied "Qualified" status under Section 303(3) and issuing securities to request the prior written approval of the Department of Treasury before issuance. Within 30 business days of receiving an application, filing fee, and supporting documentation, the Department of Treasury shall make a determination whether the municipality has met all of the following:

- (a) Has indicated the authority to issue the municipal security requested;
- (b) Is projected to be able to repay the municipal security when due; and
- (c) Has filed a compliance letter with the Department indicating compliance with the requirements of Section 303(3) or adequately addressing any noncompliance with Section 303(3) as determined by the Department.

The purpose of this bulletin is twofold. First, it introduces a revised Application to Issue Long-Term Municipal Securities, Form 1428. Second, it addresses a new method to electronically file the Application to Issue Long-Term Municipal Securities.

### **Revised Application to Issue Long-Term Municipal Securities**

#### *General Changes*

The application to Issue Long-Term Municipal Securities has undergone major revisions in an effort to clarify questions, add new questions to better mirror statutory criteria, and become more user-friendly while gathering additional information to better support the Department in making an informed decision. The application been changed from a static format to a dynamic format. Static applications display a fixed layout that does not change, while dynamic applications display a layout that differs based on the user's interactions. The revised application will display different questions based on the type of security applied for.

We will no longer be accepting applications that are missing documents, thereby incomplete. Instead, as you complete the application you will be required to attach certain documentation before being allowed to submit. A “Browse” button will be available to allow for the attachment of the supporting documents, and all documents must be in a portable document format (PDF). By requiring a complete application, less time and correspondence will be needed to obtain missing documents. This should result in a more expeditious determination by the Department. In addition, in instances where the municipality’s Qualifying Statement and/or Audited Financial Statements are due but have not been filed, the application will be rejected. The municipality will be required to submit a second application after the appropriate filing requirements have been met.

### Specific Changes

Some specific changes are as follows:

1. For capital improvement bonds, acknowledgement of “notice of intent” publication information will be required, but it will no longer be necessary to submit the actual notice.
2. Reporting budgeted numbers will be required instead of the submission of a budget.
3. The requirement to enter tax information has been eliminated.
4. A compliance letter is a required attachment in most instances. Municipalities that have been denied “Qualified” status should indicate how any noncompliance from its Qualifying Statement denial letter have been addressed. New municipalities should address whether they are in compliance with each subsection in Section 303(3), or if not, how it has been addressed.

Starting December 9, 2015, the Applications to Issue Long-Term Municipal Securities will only be accepted in the electronic filing manner stated below:

### Electronic Filing

The manner and form in which an Application to Issue Long-Term Municipal Securities is submitted has changed in the following ways:

1. The Application to Issue Long-Term Municipal Securities, Form 1428, will no longer be accepted through the U.S. Postal Service, by email, or by hand delivery, effective December 9, 2015. Instead, the application is to be completed online at <http://www.michigan.gov/MunicipalFinance>.
2. Users must obtain a new user\_id and password by clicking on the “Request Access” link on the login page. Once clicking on “Request Access,” there is an instruction link available should you require additional assistance.

3. The purpose for this change in filing is to utilize one system for all forms filed with the Local Government Financial Services Division. It is our intention to convert forms such as the Security Report to a similar electronic filing process in the near future.

#### Notification Process

Upon implementation of this new system, approval and denial letters will not be sent via the U.S. Postal Service. Notification will now be sent via email with the letter included as an attachment. The letters and application packets will be posted on our Web site within 24 hours after receipt of the notification email. This is similar to our Web site postings for the Qualifying Statement approval and denial letters.

#### Payment Voucher

The manner in which the application fee is remitted will change. Instead of submitting a copy of the first page of the application along with the check, we are now requiring that a payment voucher accompany the check. The voucher will be pre-filled upon completion of the application and must be printed and remitted with your payment. The voucher and payment is the only part of the application that will be accepted via the U.S. Postal Service using the following address: Local Government Financial Services Division, P.O. Box 30728, Lansing, MI 48909-8228.

#### **Chief Administrative Officer Certification**

It has been the policy of the Department of Treasury that the Chief Administrative Officer (CAO) is the person to certify the Application to Issue Long-Term Municipal Securities. With the implementation of the new forms, we will now allow that responsibility to be designated to a different individual. The individual filing must certify that the CAO is aware of the information included in the filing and has asserted that it is complete and accurate in all respects.

This bulletin is issued pursuant to Section 201(b) of the Revised Municipal Finance Act, which authorizes the Department of Treasury to issue bulletins or adopt rules to carry out the purposes of the Act.

For questions, please contact the Local Government Financial Services Division at (517) 373-3227.