



# HOUSE BILL No. 5980

September 27, 2000, Introduced by Rep. Pappageorge and referred to the Committee on Tax Policy.

A bill to amend 1957 PA 185, entitled

"An act to authorize the establishing of a department and board of public works in counties; to prescribe the powers and duties of any municipality subject to the provisions of this act; to authorize the incurring of contract obligations and the issuance and payment of bonds or notes; to provide for a pledge by a municipality of its full faith and credit and the levy of taxes without limitation as to rate or amount to the extent necessary; to validate obligations issued; and to prescribe a procedure for special assessments and condemnation,"

by amending section 11 (MCL 123.741) and by adding section 11a.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 11. (1) The acquirement of a water supply, sewage  
2 disposal, or refuse system, or the making of a lake improvements  
3 or erosion control systems, or the improvement, enlargement, or  
4 extension ~~thereof~~ OF 1 OF THESE SYSTEMS may be financed in any  
5 of the following methods, or any combination ~~thereof~~ OF THE  
6 FOLLOWING METHODS:

1 (a) By the issuance of revenue bonds under the provisions of  
2 ~~Act No. 94 of the Public Acts of 1933, as amended, being~~  
3 ~~sections 141.101 to 141.139 of the Michigan Compiled Laws~~ THE  
4 REVENUE BOND ACT OF 1933, 1933 PA 94, MCL 141.101 TO 141.140, or  
5 any other applicable act.

6 (b) By the issuance of bonds in anticipation of payments to  
7 become due under contracts whereby 1 or more municipalities agree  
8 to pay to the county operating under this act certain sums toward  
9 the cost of the acquisition, improvement, enlargement, or exten-  
10 sion of a project ~~which~~ THAT may be made under this act.

11 (c) By the issuance of bonds in anticipation of the payment  
12 of special assessments made by the board of public works.

13 (d) By ~~moneys~~ MONEY advanced by a county operating under  
14 this act under agreements with a municipality or municipalities  
15 for the repayment of the ~~same~~ ACQUISITION, IMPROVEMENT,  
16 ENLARGEMENT, OR EXTENSION OF THE PROJECT.

17 (e) By ~~moneys~~ MONEY advanced, from time to time, prior to  
18 or during construction of a project, by a public or private cor-  
19 poration, firm, or individual, in which event the county operat-  
20 ing under this act shall reimburse the person, firm, or corpora-  
21 tion, with interest not to exceed 8% per annum or without inter-  
22 est as may be agreed, when funds are available ~~therefor~~ FOR  
23 THAT PURPOSE. The obligation of the county to make the reim-  
24 bursement may be evidenced by a contract or note, which contract  
25 or note may be made payable out of the payments to be made by  
26 municipalities, under contracts as described in section 12 or 15,  
27 or out of the proceeds of bonds issued ~~pursuant to~~ UNDER this

1 act by the county or out of any other available funds. ~~—, but~~  
2 EXCEPT AS OTHERWISE PROVIDED IN SECTION 11A, the contract or note  
3 ~~shall not be deemed to be~~ ENTERED INTO OR ISSUED UNDER THIS ACT  
4 IS NOT an obligation within the meaning of the provisions of ~~Act~~  
5 ~~No. 202 of the Public Acts of 1943, as amended, being sections~~  
6 ~~131.1 to 138.2 of the Michigan Compiled Laws~~ THE MUNICIPAL  
7 FINANCE ACT, 1943 PA 202, MCL 131.1 TO 139.3.

8 (2) Bonds issued under this act shall be authorized by an  
9 ordinance or a resolution approved by the board of public works  
10 and adopted by the county board of commissioners of the county  
11 operating under this act. The county board of commissioners is  
12 authorized by a 3/5 vote of its members elect, to pledge the full  
13 faith and credit of the county for the prompt payment of the  
14 principal of and interest on any bonds issued ~~pursuant to~~ UNDER  
15 this act. The county's full faith and credit may be pledged to  
16 the payment of principal and interest on revenue bonds issued  
17 ~~pursuant to~~ UNDER subsection (1)(a). If it becomes necessary  
18 for the county operating under this act to advance any ~~moneys~~  
19 MONEY, other than its share of the cost of the project, for the  
20 payment of principal and interest, then it shall be entitled to  
21 reimbursement from any surplus from time to time existing in the  
22 fund from which the principal and interest are primarily  
23 payable. If the faith and credit of the county is pledged for  
24 the payment of principal of and interest on any bonds issued  
25 ~~pursuant to~~ UNDER this act, the county may, in the case of  
26 insufficiency of funds primarily pledged for the payment, pay the  
27 same from its general fund or levy taxes without limitation as to

1 rate or amount ~~therefor~~ in addition to any other taxes that the  
2 county is authorized to levy but not in excess of the rate or  
3 amount necessary to make up the deficiency. The bonds shall be  
4 issued in the name of the county and shall be executed by the  
5 chairman of the county board of commissioners and its county  
6 clerk, who shall also cause their facsimile signatures to be  
7 affixed to the interest coupons to be attached to the bonds. The  
8 county clerk shall also affix to the bonds the seal of the  
9 county. Bonds issued under this act shall be negotiable instru-  
10 ments and shall be serial bonds payable annually, with the first  
11 maturity due not more than 5 years and the last maturity not more  
12 than 40 years from the date ~~thereof~~ OF ISSUANCE. ~~The forego-~~  
13 ~~ing provisions shall apply~~ THIS SUBSECTION APPLIES to special  
14 assessment bonds as well as other bonds ISSUED UNDER THIS ACT.  
15 Annual maturity payable after 5 years from the date of the bonds  
16 shall not be less than 1/4 of the amount of any subsequent matu-  
17 rity on the same series of bonds. The bonds shall bear interest  
18 at not more than the maximum rate permitted by ~~Act No. 202 of~~  
19 ~~the Public Acts of 1943, as amended~~ THE MUNICIPAL FINANCE ACT,  
20 1943 PA 202, MCL 131.1 TO 139.3, payable semiannually except that  
21 the first coupon may be for any number of months not exceeding  
22 10. The bonds and coupons shall be made payable in lawful money  
23 of the United States of America and shall be exempt from all tax-  
24 ation by ~~the~~ THIS state or by any taxing authority within ~~the~~  
25 THIS state. The county board of commissioners may authorize the  
26 board of public works to sell the bonds in accordance with the  
27 laws of this state.

1        SEC. 11A. IF A COUNTY OPERATING UNDER THIS ACT PLEDGES ANY  
2 PORTION OF THE GENERAL FUND OF THE COUNTY AND ISSUES ANY BOND  
3 OTHER THAN A GENERAL OBLIGATION BOND OR A REVENUE BOND UNDER THIS  
4 ACT, THE GOVERNING BODY OF THE COUNTY OPERATING UNDER THIS ACT  
5 SHALL PROVIDE FOR AND PUBLISH A NOTICE OF INTENT AS PROVIDED IN  
6 SECTION 10 OF CHAPTER 5 OF THE MUNICIPAL FINANCE ACT, 1943 PA  
7 202, MCL 135.10.