

# SENATE BILL No. 590

September 27, 2017, Introduced by Senators STAMAS, SHIRKEY and BRANDENBURG  
and referred to the Committee on Finance.

A bill to amend 1947 PA 359, entitled  
"The charter township act,"  
by amending section 14a (MCL 42.14a), as amended by 2002 PA 230.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 14a. (1) The township may borrow money and issue bonds on  
2 the credit of the township for the purpose of constructing or  
3 otherwise acquiring a public improvement that the township is  
4 authorized to construct or otherwise acquire by law.

5           (2) Bonds ~~shall~~**MUST** not be issued, except special assessment  
6 bonds, bonds for the township portion of local improvements, and  
7 bonds that the township board is authorized by specific statute to  
8 issue without vote of the electors, unless approved by a majority  
9 of the electors voting on the bonds at a general or special  
10 election.

1           (3) The net indebtedness of the township incurred for all  
2 public purposes ~~shall~~**MUST** not exceed 10% of the assessed value of  
3 all real and personal property in the township. In computing the  
4 net indebtedness, all of the following ~~shall~~**MUST** be deducted:

5           (a) Bonds issued in anticipation of the collection of special  
6 assessments, even though they are general obligations of the  
7 township.

8           (b) Revenue bonds, even though they are general obligations of  
9 the township.

10           (c) Bonds issued to comply with an order of the former water  
11 resources commission, the department of environmental quality, or a  
12 court of competent jurisdiction, even though they are a general  
13 obligation of the township.

14           (d) Bonds issued, or contract or assessment obligations  
15 incurred, for water supply, sewerage, drainage, solid waste  
16 disposal, and steam generation and distribution necessary to  
17 protect the public health by abating pollution, even though they  
18 are a general obligation of the township.

19           (e) Bonds issued or contract or assessment obligations  
20 incurred for the construction, improvement, or replacement of a  
21 combined sewer overflow abatement facility. As used in this  
22 subdivision:

23           (i) "Combined sewer overflow" means a discharge from a  
24 combined sewer system that occurs when the flow capacity of the  
25 combined sewer system is exceeded.

26           (ii) "Combined sewer overflow abatement facility" means any  
27 works, instrumentalities, or equipment necessary or appropriate to

1 abate combined sewer overflows.

2 (iii) "Combined sewer system" means a sewer designed and used  
3 to convey both storm water runoff and sanitary sewage, and ~~which~~  
4 **THAT** contains lawfully installed regulators and control devices  
5 that allow for delivery of sanitary flow to treatment during dry  
6 weather periods and divert storm water and sanitary sewage to  
7 surface waters during storm flow periods.

8 (iv) "Construction" means any action taken in the designing or  
9 building of a combined sewer overflow abatement facility.

10 Construction includes, but is not limited to, all of the following:

11 (A) Engineering services.

12 (B) Legal services.

13 (C) Financial services.

14 (D) Design of plans and specifications.

15 (E) Acquisition of land or structural components, or both.

16 (F) Building, erection, alteration, remodeling, or extension  
17 of a combined sewer overflow abatement facility.

18 (G) Township supervision of the project activities described  
19 in sub-subparagraphs (A) to (F).

20 (v) "Improvement" means any action taken to expand,  
21 rehabilitate, or restore a combined sewer overflow abatement  
22 facility.

23 (vi) "Replacement" means any action taken to obtain and  
24 install equipment, accessories, or appurtenances during the useful  
25 life of a combined sewer overflow abatement facility necessary to  
26 maintain the capacity and performance for which the equipment,  
27 accessories, or appurtenances are designed and constructed.

1 (4) The resources of the sinking fund or debt retirement fund  
2 pledged for retirement of outstanding bonds ~~shall~~**MUST** also be  
3 deducted from the amount of the indebtedness.

4 (5) Bonds are issued subject to the revised municipal finance  
5 act, 2001 PA 34, MCL 141.2101 to 141.2821.

6 (6) **IN COMPUTING THE NET INDEBTEDNESS FOR THE PURPOSES OF**  
7 **SUBSECTION (3), THERE MAY BE ADDED TO THE ASSESSED VALUE OF REAL**  
8 **AND PERSONAL PROPERTY IN A TOWNSHIP FOR A FISCAL YEAR AN AMOUNT**  
9 **EQUAL TO THE ASSESSED VALUE EQUIVALENT OF CERTAIN TOWNSHIP REVENUES**  
10 **AS DETERMINED UNDER THIS SUBSECTION. THE ASSESSED VALUE EQUIVALENT**  
11 **MUST BE CALCULATED BY DIVIDING THE SUM OF THE FOLLOWING AMOUNTS BY**  
12 **THE TOWNSHIP'S MILLAGE RATE FOR THE FISCAL YEAR:**

13 (A) **THE AMOUNT PAID OR THE ESTIMATED AMOUNT REQUIRED TO BE**  
14 **PAID BY THE STATE TO THE TOWNSHIP DURING THE TOWNSHIP'S FISCAL YEAR**  
15 **FOR THE TOWNSHIP'S USE UNDER THE GLENN STEIL STATE REVENUE SHARING**  
16 **ACT OF 1971, 1971 PA 140, MCL 141.901 TO 141.921, AND THE AMOUNT OF**  
17 **ANY ELIGIBLE REIMBURSEMENT TO THE TOWNSHIP UNDER THE LOCAL**  
18 **COMMUNITY STABILIZATION AUTHORITY ACT, 2014 PA 86, MCL 123.1341 TO**  
19 **123.1362, EXCEPT ANY AMOUNT DISTRIBUTED UNDER SECTION 17(4)(C) OF**  
20 **THE LOCAL COMMUNITY STABILIZATION AUTHORITY ACT, 2014 PA 86, MCL**  
21 **123.1357, IN EXCESS OF THE TOWNSHIP'S QUALIFIED LOSS. THE**  
22 **DEPARTMENT OF TREASURY SHALL CERTIFY THESE AMOUNTS UPON REQUEST. AS**  
23 **USED IN THIS SUBDIVISION, "QUALIFIED LOSS" MEANS THAT TERM AS**  
24 **DEFINED IN SECTION 5 OF THE LOCAL COMMUNITY STABILIZATION AUTHORITY**  
25 **ACT, 2014 PA 86, MCL 123.1345.**

26 (B) **THE AMOUNT LEVIED BY THE TOWNSHIP FOR ITS OWN USE DURING**  
27 **THE TOWNSHIP'S FISCAL YEAR FROM THE SPECIFIC TAX LEVIED UNDER 1974**

1 PA 198, MCL 207.551 TO 207.572.

2 (C) THE AMOUNT LEVIED BY THE TOWNSHIP FOR ITS OWN USE DURING  
3 THE TOWNSHIP'S FISCAL YEAR FROM THE SPECIFIC TAX LEVIED UNDER THE  
4 COMMERCIAL REDEVELOPMENT ACT, 1978 PA 255, MCL 207.651 TO 207.668.

5 Enacting section 1. This amendatory act takes effect 90 days  
6 after the date it is enacted into law.