HIGHWAYS WITHIN TOWNSHIPS
Act 111 of 1956

AN ACT to provide for the acquisition, construction, establishment, opening, altering, improving and maintaining of highways; authorizing contracts between townships and boards of county road commissioners for the same; authorizing townships to finance their share of the cost of the same from its contingent fund, special assessments, and bonds or short term notes issued in anticipation of the receipt of sales tax moneys or general obligation bonds; and to prescribe procedures and conditions relative to the issuance of said bonds or short term notes.

History: 1956, Act 111, Imd. Eff. Apr. 13, 1956.

The People of the State of Michigan enact:

247.351 Highways within townships; contracts, structures included.

Sec. 1. The township board of any township and the board of county road commissioners in which said township is located are hereby authorized and shall have power to enter into a contract to provide for the acquisition, construction, establishment, opening, altering, improving and maintaining of any highways within the township. Said highways shall be deemed to include such bridges, culverts, storm sewers and other drainage structures, and traffic control and regulatory devices, as may be necessary to provide a complete highway.

History: 1956, Act 111, Imd. Eff. Apr. 13, 1956.

247.352 Highways within townships; contracts, contents; approval by electors, board of county road commissioners; execution.

Sec. 2. Said contract shall provide that all engineering with respect to such highways be performed by, and that all construction including the award of contracts therefor be under the supervision of, and in accordance with the plans and specifications therefor prepared by, the board of county road commissioners. The cost of engineering and supervision shall be deemed a part of the cost of the highway. Said contract shall provide that all or part of the cost of the highway improvement be allocated to the township as the township and the board of county road commissioners may agree, and shall approve the plans, specifications and estimates of cost of the highway improvement. Said contract may be executed by the township board after a majority of the legal voters of such township, voting upon said proposition, at a township meeting, a general election or a special election called by the township board for that purpose, shall vote in favor thereof, and by the board of county road commissioners after approval thereof by a resolution adopted by a majority vote of the members of said board. The contract shall be executed on behalf of the township by the supervisor and on behalf of the county road commissioners by the chairman of said board. The execution of said contract by the board of county road commissioners shall not require the approval of the board of supervisors.

History: 1956, Act 111, Imd. Eff. Apr. 13, 1956.

247.353 Highways within townships; funds.

Sec. 3. For the purpose of obtaining funds to carry out the provisions of this act the township board of any township which is a party to such a contract is hereby authorized to pay its allocable share of the cost of any such highway improvements from any, all, or any combination of, the following methods of raising money therefor: (a) From the contingent fund of the township; (b) from the proceeds of special assessments levied on property benefited by the highway improvement, the procedures relative to making and collecting said special assessments to conform to the procedures provided by Act No. 188 of the Public Acts of 1954, being sections 41.721 to 41.737, inclusive, of the Compiled Laws of 1948: Provided, That when a contract has been duly executed as authorized by this act no petition shall be required to authorize the levy and collection of special assessments; (c) from proceeds of sale of bonds or short term notes which the township is hereby authorized to issue in anticipation of sales tax moneys to be returned to the township pursuant to section 23 of article 10 of the state constitution; or (d) from the proceeds of sale of general obligation bonds of the township which the township is hereby authorized to issue.

History: 1956, Act 111, Imd. Eff. Apr. 13, 1956.

Compiler's note: In this section, “section 23 of article 10 of the state constitution” refers to the Constitution of 1908. See now Const. 1963, Art. IX, §§ 8, 10, and 11.

247.354 Bonds issued in anticipation of sales tax money; additional security; irrevocable pledge and appropriation; annual debt service requirements; limitation; successive

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borrowings; bonds and notes subject to revised municipal finance act.

Sec. 4. (1) Bonds issued under this act in anticipation of sales tax revenue to be returned to the township shall be payable primarily from the proceeds of revenues derived from sales tax revenue collected by the state and returned to the township under section 10 of article IX of the state constitution of 1963.

(2) As additional security for the payment of the bonds, the township board may submit to the qualified electors of the township the question of pledging the full faith and credit of the township for the payment of the bonds, as provided in section 5; and if a majority of the qualified electors voting on the issue approve the question, the township board may pledge the full faith and credit of the township for the payment of the bonds, in which event, if the sales tax proceeds are not sufficient to pay the bonds and the interest on the bonds, they shall be payable from any money in the contingent fund of the township or from ad valorem taxes that the township shall levy without limitation as to rate or amount.

(3) The township board in the resolution shall make an irrevocable pledge and appropriation of an amount sufficient for payment of the principal of and interest upon the bonds or short term notes from revenues derived from sales tax revenue collected by the state and returned to the township under section 10 of article IX of the state constitution of 1963. The township board may not pledge for annual debt service requirements in any future calendar year on the bonds or short term notes an amount in excess of 50% of the average revenues derived from sales tax revenues collected by the state and returned to the township under section 10 of article IX of the state constitution of 1963 in the 3 calendar years immediately preceding the borrowing. Nothing contained in this section shall be construed as a prohibition against successive borrowings if the total amount of revenues pledged for annual debt service requirements does not exceed the applicable percentage described in this section.

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

History: 1956, Act 111, Imd. Eff. Apr. 13, 1956;—Am. 1983, Act 109, Imd. Eff. July 6, 1983;—Am. 2002, Act 336, Imd. Eff. May 23, 2002.

247.355 General obligation bonds.

Sec. 5. General obligation bonds issued under this act shall be issued only after their issuance has been authorized by a majority vote of the qualified electors of the township voting on the proposition of issuing the bonds at a general or special township election and only after the qualified electors of the township have voted an increase in the tax rate limitation imposed by section 6 of article IX of the state constitution of 1963, in an amount and for a period of time necessary to permit the collection of taxes in an amount sufficient to meet the principal and interest requirements on the proposed bonds. A township may not issue general obligation bonds under this act for an amount greater than 10% of the total assessed valuation of the township. The general obligation bonds shall be issued and sold subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

History: 1956, Act 111, Imd. Eff. Apr. 13, 1956;—Am. 1974, Act 101, Imd. Eff. May 14, 1974;—Am. 2002, Act 336, Imd. Eff. May 23, 2002.

247.356 Townships and boards of county road commissioners; enlargement of powers.

Sec. 6. The powers herein granted shall be deemed an enlargement of any power granted to townships and boards of county road commissioners.

History: 1956, Act 111, Imd. Eff. Apr. 13, 1956.

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