

THE UNLIMITED TAX ELECTION ACT

Act 189 of 1979

AN ACT to implement section 6 of article 9 of the state constitution of 1963; to secure the good credit of public corporations of this state; to authorize elections in public corporations to approve unlimited tax pledges; and to validate approval of unlimited tax pledges made in prior elections.

History: 1979, Act 189, Imd. Eff. Dec. 21, 1979.

The People of the State of Michigan enact:

141.161 Short title.

Sec. 1. This act shall be known and may be cited as “the unlimited tax election act”.

History: 1979, Act 189, Imd. Eff. Dec. 21, 1979.

Compiler's note: Former MCL 141.161, pertaining to acquisition and financing of city parking facilities, was repealed by Act 71 of 1957.

141.162 Definitions.

Sec. 2. As used in this act, except when otherwise indicated by the context:

(a) “Legislative body” means the board, council, commission, or other body having legislative or general governing power of a public corporation.

(b) “Public corporation” means a county, city, village, township, charter township, port authority, metropolitan district, or authority of this state, or a combination of these entities when authorized by law to act jointly.

(c) “Tax obligation” means a bond, note, contract obligation, assessment, or other evidence of indebtedness payable primarily or secondarily from ad valorem taxes as a general or full faith and credit obligation of a public corporation.

(d) “Unlimited tax pledge” means an undertaking by a public corporation to secure and pay a tax obligation from ad valorem taxes to be levied on all taxable property within the boundaries of the public corporation without limitation as to rate or amount and in addition to other taxes which the public corporation may be authorized to levy.

History: 1979, Act 189, Imd. Eff. Dec. 21, 1979.

Compiler's note: Former MCL 141.162, pertaining to acquisition and financing of city parking facilities, was repealed by Act 71 of 1957.

141.163 Purpose.

Sec. 3. This act creates full and complete additional and alternative methods for the exercise of the powers granted in this act.

History: 1979, Act 189, Imd. Eff. Dec. 21, 1979.

Compiler's note: Former MCL 141.163, pertaining to acquisition and financing of city parking facilities, was repealed by Act 71 of 1957.

141.164 Unlimited tax pledges for payment of tax obligations; resolution submitting question to vote of electors; election; approval; binding unlimited tax pledges; tax levy.

Sec. 4. (1) If a public corporation is authorized by statute or charter to issue or incur tax obligations which under the terms of section 6 of article 9 of the state constitution of 1963 may be secured by unlimited tax pledges of the public corporation if approved by its electors, the legislative body of the public corporation may by resolution submit the question of making 1 or more unlimited tax pledges in support of 1 or more tax obligations to a vote of its electors at a regularly scheduled election to be held in the public corporation or at a special election which may be called for this purpose by the legislative body.

(2) An election authorized under this section shall be called and conducted pursuant to Act No. 116 of the Public Acts of 1954, as amended, being sections 168.1 to 168.992 of the Michigan Compiled Laws.

(3) Upon the approving vote of a majority of the qualified electors of the public corporation voting on the question, the public corporation may make 1 or more binding unlimited tax pledges for the payment of 1 or more tax obligations referred to in the ballot. After this vote of approval the public corporation may levy, for payment of these obligations, ad valorem taxes on all taxable property within its boundaries without regard to a charter, statutory, or constitutional tax limitation, and in addition to other taxes which the public corporation may be authorized to levy. However, the tax which may be levied shall not be excess of a rate or amount sufficient for payment of the obligations.

History: 1979, Act 189, Imd. Eff. Dec. 21, 1979.

141.165 Different tax obligations as single ballot proposition; contents of ballot question and notice of election; new authority not granted.

Sec. 5. (1) Even though the tax obligations may be for different purposes and may be issued or incurred individually over a period of time, a public corporation may submit the question of making 1 or more unlimited tax pledges in support of 1 or more tax obligations as a single ballot proposition.

(2) The ballot question shall set forth the maximum principal amount of each tax obligation to be secured by the unlimited tax pledge or pledges.

(3) The notice of election shall set forth a brief general description of the purpose of each unlimited tax pledge, a statement of the estimated period of time over which each tax obligation is expected to be issued or incurred, and other information as the legislative body of the public corporation determines to be necessary to adequately inform the electors concerning the question. The statement of estimated period of time shall be considered to be for informational purposes and shall not be binding upon the public corporation if the legislative body of the public corporation later determines that changed circumstances have rendered the estimate impossible or impractical to comply with.

(4) This act shall not grant a public corporation new authority to combine questions of issuing or incurring a number of different tax obligations in a single ballot proposition, require a public corporation to secure approval of its electors to issue or incur tax obligations if not otherwise required by law, or require a public corporation to submit the question of making an unlimited tax pledge in support of a tax obligation which has been approved by its electors.

History: 1979, Act 189, Imd. Eff. Dec. 21, 1979.

141.166 Time of making unlimited tax pledge in support of tax obligation.

Sec. 6. A public corporation shall not be required to have issued or incurred 1 or more tax obligations to be supported by 1 or more unlimited tax pledges before the election at which the question of making the pledges is submitted, and a public corporation may conduct the election either before, concurrently with, or after issuing or incurring a tax obligation. A public corporation may make an unlimited tax pledge in support of a tax obligation before the election to approve the pledge, but a pledge shall not be binding on the public corporation until the question of making the pledge has been approved by the electors of the public corporation as provided in section 4.

History: 1979, Act 189, Imd. Eff. Dec. 21, 1979.

141.167 Validation of prior elections.

Sec. 7. Elections held in substantial compliance with and before the effective date of this act shall be considered to have secured voter approval of an unlimited tax pledge and are hereby validated.

History: 1979, Act 189, Imd. Eff. Dec. 21, 1979.

141.168 Liberal construction.

Sec. 8. This act shall be liberally construed to effect its purposes.

History: 1979, Act 189, Imd. Eff. Dec. 21, 1979.