

COUNTY DEPARTMENT AND BOARD OF PUBLIC WORKS (EXCERPT)
Act 185 of 1957

123.742 Contracts authorized; methods of paying contractual obligations; special assessments; exercise of powers; validation of contracts.

Sec. 12.

(1) A county operating under this act and any 1 or more municipalities including the county itself may enter into a contract or contracts for the acquisition, improvement, enlargement, or extension of a water supply, a sewage disposal, or a refuse system, or the making of lake improvements or erosion control systems and for the payment of the costs by the contracting municipalities, with interest, over a period not exceeding 40 years.

(2) In the contract, each contracting municipality may pledge its full faith and credit for the payment of its obligations under the contract. If the municipality has taxing power, it may each year levy a tax in an amount that will be sufficient for the prompt payment of all or part of the contract obligations due before the following year's tax collection. If the contract or an unlimited tax pledge in support of the contract has been approved by the electors, the tax may be in addition to any tax that the municipality may otherwise be authorized to levy and may be imposed without limitation as to rate or amount but shall not be in excess of the rate or amount necessary to pay the contract obligation. The contract is not subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821. For the payment of contractual obligations incurred under this act, a township shall levy a tax only on the taxable property in the unincorporated areas of the township unless the township and a village have agreed that a part of the capacity in the county system allocated to the township by contract pursuant to this act will be used to serve areas in a village located wholly or partly within the township and the village has not itself agreed to purchase the capacity in the county system. If a contracting municipality at the time of its annual tax levy has on hand in cash any amount pledged to the payment of the current obligations for which the tax levy is to be made, then the annual tax levy may be reduced by that amount. For the purpose of obtaining the credit, funds may be raised by a municipality by using 1 or more of the following methods:

- (a) By service charges to users of the system or lake improvements.
- (b) By special assessment upon lands benefited.
- (c) By the exaction of charges for the connection of properties, directly or indirectly, to the system or for the availability of the system to serve properties, directly or indirectly, or at a present or future time.
- (d) By setting aside any state collected funds disbursed to the municipality and usable therefor.
- (e) By setting aside any other available money.

(3) For the purpose of obtaining the credit, municipalities contracting for the acquisition, improvement, enlargement, or extension of an erosion control system shall levy special assessments upon all lands benefited to cover not less than 3/4 of the total project cost contracted for by the local unit. A municipality may agree to raise all or any part of its contract obligation by any of the methods provided in this section that are available. The powers in this act granted to any municipality shall be exercised by its governing body. A contract entered into before May 12, 1959, which complies with this act, is validated.

History: 1957, Act 185, Imd. Eff. June 4, 1957 ;-- Am. 1959, Act 34, Imd. Eff. May 12, 1959 ;-- Am. 1964, Act 42, Eff. Aug. 28, 1964 ;-- Am. 1967, Act 63, Imd. Eff. June 20, 1967 ;-- Am. 1970, Act 234, Imd. Eff. Dec. 3, 1970 ;-- Am. 1973, Act 89, Imd. Eff. Aug. 5, 1973 ;-- Am. 1974, Act 200, Imd. Eff. July 9, 1974 ;-- Am. 1979, Act 83, Imd. Eff. Aug. 1, 1979 ;-- Am. 2002, Act 407, Imd. Eff. June 3, 2002