

CITY AND VILLAGE ZONING ACT (EXCERPT)
Act 207 of 1921

***** 125.595 THIS SECTION IS REPEALED BY ACT 110 OF 2006 EFFECTIVE JULY 1, 2006 *****

125.595 Financing for PDR program; sources; borrowing money and issuing bonds or notes; pledge; lien; exemption from taxation; investment; disposition; special assessments.

Sec. 15. (1) A PDR program may be financed through 1 or more of the following sources:

- (a) General appropriations by the city or village.
- (b) Proceeds from the sale of development rights by the city or village subject to section 14(3).
- (c) Grants.
- (d) Donations.
- (e) Bonds or notes issued under subsections (2) to (5).
- (f) General fund revenue.
- (g) Special assessments under subsection (6).
- (h) Other sources approved by the city or village and permitted by law.

(2) The city or village may borrow money and issue bonds or notes under the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821, subject to the general debt limit applicable to the city or village. The bonds or notes may be revenue bonds or notes; general obligation limited tax bonds or notes; or, subject to section 6 of article IX of the state constitution of 1963, general obligation unlimited tax bonds or notes.

(3) The legislative body of the city or village may secure bonds or notes issued under this section by mortgage, assignment, or pledge of property including, but not limited to, anticipated tax collections, revenue sharing payments, or special assessment revenues. A pledge made by the legislative body of the city or village is valid and binding from the time the pledge is made. The pledge immediately shall be subject to the lien of the pledge without a filing or further act. The lien of the pledge shall be valid and binding as against parties having claims in tort, contract, or otherwise against the city or village, irrespective of whether the parties have notice of the lien. Filing of the resolution, the trust agreement, or another instrument by which a pledge is created is not required.

(4) Bonds or notes issued under this section are exempt from all taxation in this state except inheritance and transfer taxes, and the interest on the bonds or notes is exempt from all taxation in this state, notwithstanding that the interest may be subject to federal income tax.

(5) The bonds and notes issued under this section may be invested in by the state treasurer and all other public officers, state agencies and political subdivisions, insurance companies, banks, savings and loan associations, investment companies, and fiduciaries and trustees, and may be deposited with and received by the state treasurer and all other public officers and the agencies and political subdivisions of this state for all purposes for which the deposit of bonds or notes is authorized. The authority granted by this section is in addition to all other authority granted by law.

(6) A development rights ordinance may authorize the legislative body of the city or village to finance a PDR program by special assessments. In addition to meeting the requirements of section 14, the development rights ordinance shall include in the procedure to approve and establish a special assessment district both of the following:

- (a) The requirement that there be filed with the legislative body a petition containing all of the following:
 - (i) A description of the development rights to be purchased, including a legal description of the land from which the purchase is to be made.
 - (ii) A description of the proposed special assessment district.
 - (iii) The signatures of the owners of at least 66% of the land area in the proposed special assessment district.
 - (iv) The amount and duration of the proposed special assessments.
- (b) The requirement that the legislative body specify how the proposed purchase of development rights will specially benefit the land in the proposed special assessment district.

History: Add. 1996, Act 571, Eff. Mar. 31, 1997;—Am. 2002, Act 284, Imd. Eff. May 9, 2002.