

# HOUSE BILL No. 4827

May 22, 1997, Introduced by Reps. Birkholz, Gire, Sikkema, Gustafson, Gernaat, Law, Gilmer, Agee, Freeman, Dobronski, Brewer, Gagliardi, Schroer, Brater, Jelinek, Raczkowski, Richner, Walberg, Emerson, Wetters, Bogardus, Jellema, McBryde, Green, Godchaux, Harder, Schauer, Thomas, Hale, Fitzgerald, Byl, McNutt, LeTarte, Hanley, Cropsey, Bobier, Dalman, Bodem, Dobb, Johnson, Banks, Scranton, Jansen, Rocca, Kukuk, Profit, Mans, Geiger, Cassis, Rhead, Llewellyn, Voorhees, Brackenridge, Oxender and Galloway and referred to the Committee on Education.

A bill to amend 1933 PA 99, entitled

"An act to authorize incorporated villages, townships, and cities to enter into contracts and agreements for the purchase of lands, property, or equipment for public purposes; to validate such contracts or agreements heretofore entered into; to provide for the payment of the purchase price thereof; and to prescribe the use of such lands, equipment, and property,"

by amending the title and sections 1 and 3 (MCL 123.721 and 123.723) and by adding section 1a.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1

### TITLE

2

An act to authorize ~~incorporated~~ villages, townships,

3

~~and~~ cities, AND SCHOOL DISTRICTS to enter into contracts and

4

agreements for the purchase of ~~lands, property, or equipment~~

5

REAL OR PERSONAL PROPERTY for public purposes; ~~to validate such~~

6

~~contracts or agreements heretofore entered into;~~ to provide for

1 the payment of the purchase price thereof; and to prescribe the  
2 use of ~~such~~ THE lands, equipment, and property.

3       Sec. 1. (1) ~~The legislative body of an incorporated~~ A  
4 village, township, ~~or~~ city, OR SCHOOL DISTRICT, AFTER ADOPTION  
5 OF A RESOLUTION BY ITS GOVERNING BODY APPROVING THE ACTION, may  
6 enter into any contract or agreement for the purchase of ~~lands,~~  
7 ~~property, or equipment~~ REAL OR PERSONAL PROPERTY for public pur-  
8 poses, to be paid for in installments over a period of not to  
9 exceed 15 years ~~but in any case~~ AND not to exceed the useful  
10 life of the property acquired as determined by THE resolution.  
11 ~~of the legislative body. Any contract or agreement entered~~  
12 ~~into, before this amendatory act of 1973 takes effect, by the~~  
13 ~~legislative body of any incorporated village, township, or city~~  
14 ~~for the purchase of lands, property, or equipment for public pur-~~  
15 ~~poses, to be paid for in installments, is validated and made~~  
16 ~~legal for all purposes.~~ The outstanding balance of all ~~such~~  
17 purchases ~~, made both before and after this amendatory act of~~  
18 ~~1973 takes effect~~ AUTHORIZED UNDER THIS ACT, exclusive of inter-  
19 est, shall not exceed 1-1/4% of the equalized assessed value of  
20 the real and personal property in ~~such~~ THE village, township,  
21 ~~or~~ city, OR SCHOOL DISTRICT at the date of ~~such~~ THE contract  
22 or agreement. The limitations ~~shall~~ DO not apply to contracts  
23 or leases entered into under ~~Act No. 31 of the Public Acts of~~  
24 ~~the Extra Session of 1948, as amended, being sections 123.951 to~~  
25 ~~123.965 of the Michigan Compiled Laws~~ 1948 (1ST EX SESS) PA 31,  
26 MCL 123.951 TO 123.965, or to other contracts or leases between  
27 public corporations or municipalities. The contracts or

1 agreements, and the purchase of ~~lands, property, or equipment~~  
2 ~~thereunder, shall not be~~ PROPERTY UNDER THE CONTRACTS OR AGREE-  
3 MENTS ARE NOT subject to the provisions of ~~Act No. 202 of the~~  
4 ~~Public Acts of 1943, as amended, being sections 131.1 to 138.2 of~~  
5 ~~the Michigan Compiled Laws~~ THE MUNICIPAL FINANCE ACT, 1943 PA  
6 202, MCL 131.1 TO 139.3.

7 (2) The ~~legislative~~ GOVERNING body of ~~any such~~ A vil-  
8 lage, township, ~~or~~ city, OR SCHOOL DISTRICT may include in its  
9 budget and pay ~~such~~ A sum or sums as may be necessary each year  
10 to meet the payments of any ~~such~~ installments, and the interest  
11 thereon, when and as the ~~same shall become~~ INSTALLMENT BECOMES  
12 due, including overdue installments.

13 (3) The authority granted in this act shall not be construed  
14 to authorize the ~~legislative~~ GOVERNING body of a city, village,  
15 ~~or~~ township, OR SCHOOL DISTRICT to levy taxes in excess of  
16 statutory or charter limitations without the approval of ~~the~~  
17 ITS electors.

18 (4) The limitations imposed by subsection (1) ~~shall not be~~  
19 ARE NOT applicable to a contract for purchase of lands declared  
20 surplus by the United States government or one of its agencies,  
21 subject to the prior approval of ~~such~~ THE contract by the  
22 municipal finance commission.

23 SEC. 1A. THE GOVERNING BODY OF A SCHOOL DISTRICT MAY ENTER  
24 INTO A CONTRACT FOR THE PURCHASE OF TELECOMMUNICATION AND TECH-  
25 NOLOGY RELATED SERVICES FOR SCHOOL PURPOSES TO BE PAID FOR IN  
26 INSTALLMENTS OVER A PERIOD NOT TO EXCEED THE TERM OF THE  
27 CONTRACT. HOWEVER, IF THE GOVERNING BODY BORROWS FUNDS TO PAY

1 FOR TELECOMMUNICATION AND TECHNOLOGY RELATED SERVICES, THE TOTAL  
2 COST OF PRINCIPAL, INTEREST, AND FEES, AND EXPENSES OF BORROWED  
3 FUNDS, SHALL NOT EXCEED THE TOTAL AMOUNT OF THE ORIGINAL SERVICE  
4 INSTALLMENT CONTRACT.

5       Sec. 3. The ~~legislative~~ GOVERNING body of ~~any such~~ A  
6 village, ~~and/or~~ township, ~~and/or~~ city, OR SCHOOL DISTRICT  
7 shall at all times have control of ~~said~~ property PURCHASED  
8 UNDER THIS ACT and shall maintain the ~~same~~ PROPERTY for public  
9 use and purposes.