

Act No. 77
Public Acts of 1997
Approved by the Governor
July 22, 1997
Filed with the Secretary of State
July 22, 1997
EFFECTIVE DATE: July 22, 1997

STATE OF MICHIGAN
89TH LEGISLATURE
REGULAR SESSION OF 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, Bankes, Scranton, Jansen, Rocca, Kukuk, Profit, Mans, Geiger, Cassis, Rhead, Llewellyn, Voorhees, Brackenridge, Oxender and Galloway

Reps. Anthony, Basham, Brown, Callahan, Cherry, Ciaramitaro, DeHart, DeVuyst, Goschka, Gubow, Hammerstrom, Kelly, LaForge, Nye, Parks, Perricone, Price, Prusi, Schermesser, Scott, Tesanovich, Varga, Vaughn and Wojno named co-sponsors

Reps. Baade, Crissman, Middaugh and Wallace named co-sponsors

ENROLLED HOUSE BILL No. 4827

AN ACT 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:

TITLE

An act to authorize villages, townships, cities, and school districts to enter into contracts and agreements for the purchase of real or personal property for public purposes; to provide for the payment of the purchase price thereof; to authorize school districts to enter into certain other contracts; and to prescribe the use of the real or personal property.

Sec. 1. (1) A village, township, city, or school district, after adoption of a resolution by its governing body approving the action, may enter into any contract or agreement for the purchase of real or personal property for public purposes, to be paid for in installments over a period of not to exceed 15 years and not to exceed the useful life of the property acquired as determined by the resolution. For school buses, the determined useful life shall not exceed 6 years. The outstanding balance of all purchases authorized under this act, exclusive of interest, shall not exceed 1-1/4% of the taxable value of the real and personal property in the village, township, city, or school district at the date of the contract or agreement. The limitations do not apply to contracts or leases entered into under 1948 (1st Ex Sess) PA 31, MCL 123.951 to 123.965, or to other contracts or leases between public corporations or municipalities. The contracts or agreements, and the purchase of property under the contracts or agreements are not subject to the provisions of the municipal finance act, 1943 PA 202, MCL 131.1 to 139.3.

(2) The governing body of a village, township, city, or school district may include in its budget and pay a sum or sums as may be necessary each year to meet the payments of any installments, and the interest thereon, when and as the installment becomes due, including overdue installments.

(3) The authority granted in this act shall not be construed to authorize the governing body of a city, village, township, or school district to levy taxes in excess of statutory or charter limitations without the approval of its electors.

(4) The limitations imposed by subsection (1) are not applicable to a contract for purchase of lands declared surplus by the United States government or one of its agencies, subject to the prior approval of the contract by the department of treasury.

Sec. 1a. The governing body of a school district may enter into a contract for the purchase of telecommunication and related services for school purposes to be paid for in installments over a period not to exceed the useful life of the service or the term of the contract, whichever is shorter. However, if the governing body borrows funds to pay for telecommunication and related services, the total cost of principal, interest, and fees, and expenses of borrowed funds, shall not exceed the total amount of the original service installment contract.

Sec. 3. The governing body of a village, township, city, or school district shall at all times have control of property purchased under this act and shall maintain the property for public use and purposes.

This act is ordered to take immediate effect.



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Clerk of the House of Representatives.



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Secretary of the Senate.

Approved

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Governor.