

REPRINT
SUBSTITUTE FOR
SENATE BILL NO. 981

(As passed the Senate February 12, 2002)

A bill to amend 1921 PA 207, entitled
"City and village zoning act,"
by amending section 15 (MCL 125.595), as added by 1996 PA 571.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 Sec. 15. (1) A PDR program may be financed through 1 or
2 more of the following sources:
- 3 (a) General appropriations by the city or village.
- 4 (b) Proceeds from the sale of development rights by the city
5 or village subject to section 14(3).
- 6 (c) Grants.
- 7 (d) Donations.
- 8 (e) Bonds or notes issued under subsections (2) to ~~(6)~~
9 (5).
- 10 (f) General fund revenue.

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1 (g) Special assessments under subsection ~~-(7)-~~ (6).

2 (h) Other sources approved by the city or village and
3 permitted by law.

4 (2) The city or village may borrow money and issue bonds or
5 notes under the REVISED municipal finance act, ~~Act No. 202 of~~
6 ~~the Public Acts of 1943, being sections 131.1 to 139.3 of the~~
7 ~~Michigan Compiled Laws~~ 2001 PA 34, MCL 141.2101 TO 141.2821,
8 subject to the general debt limit applicable to the city or
9 village. The bonds or notes may be revenue bonds or notes; gen-
10 eral obligation limited tax bonds or notes; OR, subject to
11 section 6 of article IX of the state constitution of 1963, gen-
12 eral obligation unlimited tax bonds or notes. ~~or bonds or~~
13 ~~notes to refund in advance bonds or notes issued under this~~
14 ~~section.~~

15 (3) The legislative body of the city or village may secure
16 bonds or notes issued under this section by mortgage, assignment,
17 or pledge of property including, but not limited to, anticipated
18 tax collections, revenue sharing payments, or special assessment
19 revenues. A pledge made by the legislative body of the city or
20 village is valid and binding from the time the pledge is made.
21 The pledge immediately shall be subject to the lien of the pledge
22 without a filing or further act. The lien of the pledge shall be
23 valid and binding as against parties having claims in tort, con-
24 tract, or otherwise against the city or village, irrespective of
25 whether the parties have notice of the lien. Filing of the reso-
26 lution, the trust agreement, or another instrument by which a
27 pledge is created is not required.

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

6 (5) The bonds and notes issued under this section may be
7 invested in by the state treasurer and all other public officers,
8 state agencies and political subdivisions, insurance companies,
9 banks, savings and loan associations, investment companies, and
10 fiduciaries and trustees, and may be deposited with and received
11 by the state treasurer and all other public officers and the
12 agencies and political subdivisions of this state for all pur-
13 poses for which the deposit of bonds or notes is authorized. The
14 authority granted by this section is in addition to all other
15 authority granted by law.

16 ~~-(6) The legislative body of the city or village may borrow~~
17 ~~money and issue bonds or notes for refunding all or part of~~
18 ~~existing bond or note indebtedness only if the net present value~~
19 ~~of the principal and interest to be paid on the refunding bonds~~
20 ~~or notes, excluding the cost of issuance, will be less than the~~
21 ~~net present value of the principal and interest to be paid on the~~
22 ~~bonds or notes being refunded, as calculated using a method~~
23 ~~approved by the department of treasury.~~

24 (6) ~~-(7)~~ A development rights ordinance may authorize the
25 legislative body of the city or village to finance a PDR program
26 by special assessments. In addition to meeting the requirements
27 of section 14, the development rights ordinance shall include in

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1 the procedure to approve and establish a special assessment
2 district both of the following:

3 (a) The requirement that there be filed with the legislative
4 body a petition containing all of the following:

5 (i) A description of the development rights to be purchased,
6 including a legal description of the land from which the purchase
7 is to be made.

8 (ii) A description of the proposed special assessment
9 district.

10 (iii) The signatures of the owners of at least 66% of the
11 land area in the proposed special assessment district.

12 (iv) The amount and duration of the proposed special
13 assessments.

14 (b) The requirement that the legislative body specify how
15 the proposed purchase of development rights will specially bene-
16 fit the land in the proposed special assessment district.