

SUBSTITUTE FOR  
SENATE BILL NO. 865

A bill to amend 1989 PA 186, entitled  
"County department of solid waste management act,"  
by amending sections 7, 8, and 9 (MCL 45.587, 45.588, and  
45.589).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 7. The acquisition, improvement, enlargement, or  
2 extension of a solid waste system under this act may be financed  
3 by 1 or more of the following methods:

4       (a) The issuance of revenue bonds under the revenue bond act  
5 of 1933, ~~Act No. 94 of the Public Acts of 1933, being~~  
6 ~~sections 141.101 to 141.140 of the Michigan Compiled Laws 1933~~  
7 PA 94, MCL 141.101 TO 141.140, or any other applicable act.

8       (b) The issuance of bonds in anticipation of payments to  
9 become due under 1 or more contracts whereby 1 or more public  
10 corporations, including the county itself, agree to pay to the

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1 county certain sums toward the cost of the acquisition,  
2 improvement, enlargement, or extension of a system instituted  
3 under this act.

4 (c) Through money advanced by a county under agreements with  
5 1 or more public corporations for the repayment of the money.

6 (d) Through money advanced, periodically, before or during  
7 construction of a system, by a public ~~or private~~ corporation,  
8 ~~firm, or individual,~~ in which event the county shall reimburse  
9 the ~~individual, firm, or~~ corporation, with interest not to  
10 exceed 10% per annum or without interest as may be agreed, when  
11 funds are available. The obligation of the county to make this  
12 reimbursement may be evidenced by a contract or note that may be  
13 made payable out of the payments to be made by public corpora-  
14 tions under a contract described in section 9 or 13, out of the  
15 proceeds of bonds issued pursuant to this act by the county, or  
16 out of any other available money. However, the contract or note  
17 shall not be considered an obligation within the meaning of the  
18 ~~municipal finance act, Act No. 202 of the Public Acts of 1943,~~  
19 ~~being sections 131.1 to 139.3 of the Michigan Compiled Laws~~  
20 REVISED MUNICIPAL FINANCE ACT, 2001 PA 34, MCL 141.2101 TO  
21 141.2821.

22 Sec. 8. Bonds issued under this act shall be authorized by  
23 a resolution or ordinance adopted by the county board of  
24 commissioners. The county board of commissioners may, by a  
25 majority vote of its members elect, pledge the full faith and  
26 credit of the county for the prompt payment of the principal of  
27 and interest on any bonds, including revenue bonds, issued

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1 pursuant to this act. If it becomes necessary for the county to  
2 advance money, other than its share of the cost of the project  
3 for the payment of principal and interest, then the county is  
4 entitled to reimbursement from any surplus from time to time  
5 existing in the fund from which the principal and interest are  
6 primarily payable. If the full faith and credit of the county  
7 are pledged for the payment of principal of and interest on any  
8 bonds issued pursuant to this act, the county may, in the case of  
9 insufficiency of funds primarily pledged for the payment, pay the  
10 principal and interest from its general fund or levy taxes, but  
11 not in excess of the rate or amount necessary to make up the  
12 deficiency and not in excess of, or contrary to, constitutional  
13 limitations. The bonds shall be issued in the name of the county  
14 and shall be executed by the manual or facsimile signatures of  
15 the chairperson of the county board of commissioners and the  
16 county clerk, and the seal of the county shall be impressed or  
17 imprinted on the bonds. The bonds issued under this act shall be  
18 negotiable instruments ~~and shall be serial bonds, term bonds, or~~  
19 ~~both, payable or subject to mandatory redemption, as the case may~~  
20 ~~be, annually, with the first maturity or mandatory redemption due~~  
21 ~~not more than 10 years~~ and ~~the~~ SHALL HAVE A last maturity DATE  
22 OF not more than 40 years. ~~from the date of the bonds. Each~~  
23 ~~annual maturity or mandatory redemption payable after 10 years~~  
24 ~~from the date of the bonds shall not be less than 1/5 of the~~  
25 ~~amount of any subsequent maturity or mandatory redemption on the~~  
26 ~~same series of bonds. Several series of bonds issued to finance~~  
27 ~~all or any part of a solid waste system may be treated as a~~

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1 ~~single issue for the purpose of fixing maturities or mandatory~~  
2 ~~redemptions.~~ The bonds shall be issued pursuant to ~~—, and shall~~  
3 ~~bear interest at not more than the maximum rate permitted by, the~~  
4 ~~municipal finance act, Act No. 202 of the Public Acts of 1943,~~  
5 ~~being sections 131.1 to 139.3 of the Michigan Compiled Laws~~ THE  
6 REVENUE BOND ACT OF 1933, 1933 PA 94, MCL 141.101 TO 141.140, OR  
7 THE REVISED MUNICIPAL FINANCE ACT, 2001 PA 34, MCL 141.2101 TO  
8 141.2821, and in all cases where required by article IX of the  
9 constitution of 1963, shall be subject to a vote of the people.  
10 ~~This interest shall be payable at least semiannually, except~~  
11 ~~that the first interest payment may be on a date not later than~~  
12 ~~10 months after the date of the bonds.~~ Bonds issued under this  
13 act ~~shall be made payable in lawful money of the United States~~  
14 ~~of America and~~ are exempt from all taxation by ~~the~~ THIS state  
15 or by any taxing authority within the state.

16       Sec. 9. (1) A county may contract with 1 or more public  
17 corporations, including the county itself, for the acquisition,  
18 improvement, enlargement, or extension of a solid waste system  
19 and for the payment of the cost of the system by the contracting  
20 public corporations, with interest, over a period not exceeding  
21 40 years.

22       (2) In a contract entered into under subsection (1), each  
23 contracting public corporation shall pledge its full faith and  
24 credit for the payment of its obligations under the contract. If  
25 the public corporation has taxing power, it may each year levy a  
26 tax in an amount that is sufficient for the prompt payment of all  
27 or part of the contract obligations due before the following

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1 year's tax collection. THE CONTRACT IS NOT SUBJECT TO THE  
2 REVISED MUNICIPAL FINANCE ACT, 2001 PA 34, MCL 141.2101 TO  
3 141.2821. If the contract or an unlimited tax pledge in support  
4 of the contract has been approved by the electors, the tax may be  
5 in addition to any tax that the public corporation otherwise may  
6 be authorized to levy and may be imposed without limitation as to  
7 rate or amount, but shall not be in excess of the rate or amount  
8 necessary to pay the contract obligation. For the payment of  
9 contractual obligations incurred pursuant to this section, a  
10 township shall levy a tax only on the taxable property of the  
11 township not incorporated as a village unless the township and a  
12 village have agreed that a part of the capacity in the county  
13 system allocated to the township by contract pursuant to this act  
14 will be used to serve areas in a village located wholly or partly  
15 within the township and the village has not itself agreed to pur-  
16 chase that capacity in the county system. If a contracting  
17 public corporation at the time of its annual tax levy has on hand  
18 in cash or has budgeted any amount pledged to the payment of the  
19 current obligations for which the tax levy is to be made, then  
20 the annual tax levy may be reduced by that amount. For the pur-  
21 pose of obtaining the credit, money may be raised by a public  
22 corporation by 1 or more of the following methods:

23 (a) Service or availability charges to users or customers of  
24 the system in an amount no greater than that needed to pay the  
25 current operating costs of the system.

26 (b) Special assessments upon lands benefited, directly or  
27 indirectly or at a present or future time.

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1       (c) Setting aside state collected money disbursed to the  
2 public corporation and usable for this purpose.

3       (d) Setting aside other available money.

4       (3) Money raised or to be raised by a public corporation by  
5 a method described in subsection (2) may be pledged to secure the  
6 payment of its obligations under a contract entered into under  
7 subsection (1).

8       (4) A public corporation may agree to raise all or any part  
9 of its contract obligation by a method provided in this section  
10 or by another legally available method. The governing body of a  
11 public corporation shall exercise the powers granted to the  
12 public corporation under this act.