

SENATE BILL No. 967

December 13, 2001, Introduced by Senator GARCIA and referred to the Committee on Finance.

A bill to amend 1943 PA 143, entitled

"An act to empower boards of county road commissioners to borrow money in anticipation and upon the faith and credit of future receipts of revenues, derived from certain state collected taxes, for the purpose of purchasing road machinery or equipment or for improvement of county highways or for general county road purposes,"

by amending sections 1 and 2 (MCL 141.251 and 141.252), section 1 as amended by 1983 PA 51; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. Boards of county road commissioners are authorized
2 and empowered, upon the adoption of a resolution, ~~but subject to~~
3 ~~the prior permission of the municipal finance commission or its~~
4 ~~successor agency unless an exception from prior approval is~~
5 ~~available pursuant to subsection (2),~~ to borrow money, the sum
6 of which shall not exceed the amount previously authorized by
7 their respective county board of commissioners, in anticipation

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1 of and to pledge for the payment ~~thereof~~ OF THE BORROWED MONEY,
2 future revenues derived from state collected taxes returned to
3 ~~such~~ THE county for county road purposes pursuant to law —
4 and to issue notes ~~therefor~~ for the purpose of purchasing road
5 machinery or equipment, ~~or~~ for improvement of county highways,
6 or for other general county road purposes.

7 (2) ~~The requirement of subsection (1) for obtaining the~~
8 ~~prior approval of the municipal finance commission or its succes-~~
9 ~~sor agency before issuing notes under this section shall be~~
10 ~~subject to sections 10 and 11 of chapter III of Act No. 202 of~~
11 ~~the Public Acts of 1943, being sections 133.10 and 133.11 of the~~
12 ~~Michigan Compiled Laws, and the department of treasury shall have~~
13 ~~the same authority as provided by section 11 of chapter III of~~
14 ~~Act No. 202 of the Public Acts of 1943 to issue an order provid-~~
15 ~~ing or denying an exception from the prior approval required by~~
16 ~~subsection (1) for notes authorized by this section.~~ NOTES
17 ISSUED UNDER THIS ACT ARE SUBJECT TO THE REVISED MUNICIPAL
18 FINANCE ACT, 2001 PA 34, MCL 141.2101 TO 141.2821.

19 Sec. 2. All notes issued ~~hereunder shall be~~ UNDER THIS
20 ACT ARE subject to ALL OF the following provisions:

21 (a) ~~Shall be payable in equal annual installments the aggre-~~
22 ~~gate of which shall not exceed 10, the first of which shall be~~
23 ~~due not later than August 1st of the next succeeding calendar~~
24 ~~year and subsequent maturities, if any, shall likewise be payable~~
25 ~~August 1st; shall bear interest at a rate not exceeding the maxi-~~
26 ~~mum rate permitted by Act No. 202 of the Public Acts of 1943, as~~
27 ~~amended, being sections 131.1 to 138.2 of the Michigan Compiled~~

1 ~~Laws, payable semiannually; and may be made subject to redemption~~
2 ~~on any interest payment date prior to maturity at par and accrued~~
3 ~~interest on such terms and conditions as shall be provided in the~~
4 ~~authorizing resolution.~~

5 (A) ~~(b)~~ For the purpose of computing the amount ~~which~~
6 THAT may be borrowed, a loan made ~~hereunder~~ UNDER THIS ACT
7 shall not, when payable as ~~hereinafter set forth~~ PROVIDED IN
8 THIS SECTION, exceed that percentage of the total aggregate reve-
9 nues derived from state collected taxes returned to a county for
10 county road purposes pursuant to law for the 5 IMMEDIATELY
11 SUCCEEDING years: ~~next preceding:~~

12 (i) ~~(1) in~~ IN 10 installments, 40%. ~~thereof~~

13 (ii) ~~(2) in~~ IN 9 installments, 36%. ~~thereof~~

14 (iii) ~~(3) in~~ IN 8 installments, 32%. ~~thereof~~

15 (iv) ~~(4) in~~ IN 7 installments, 28%. ~~thereof~~

16 (v) ~~(5) in~~ IN 6 installments, 24%. ~~thereof~~

17 (vi) ~~(6) in~~ IN 5 installments, 20%. ~~thereof~~

18 (vii) ~~(7) in~~ IN 4 installments, 16%. ~~thereof~~

19 (viii) ~~(8) in~~ IN 3 installments, 12%. ~~thereof~~

20 (ix) ~~(9) in~~ IN 2 installments, 8%. ~~thereof~~

21 (x) ~~(10) in~~ IN 1 installment, 4%. ~~thereof~~

22 (B) A loan payable in more than 2 installments ~~—~~ shall not
23 be authorized for any purpose other than for the construction,
24 improvement, maintenance, or repair of highways. At no time
25 shall the total loans outstanding under this act exceed 40% of
26 the sum of the revenues derived from state collected taxes
27 returned to the county for county road purposes for the ~~last~~

1 IMMEDIATELY preceding 5 calendar years and not specifically
2 allocated for other purposes.

3 (c) The resolution authorizing the borrowing shall contain
4 an irrevocable appropriation providing for the payment of the
5 principal and interest ~~thereof~~ from the ~~moneys~~ MONEY to be
6 derived from state collected taxes returned to the county for
7 county road purposes pursuant to law ~~which~~ THAT have not been
8 ~~theretofore~~ PREVIOUSLY specifically allocated for other
9 purposes. ~~and thereafter the county treasurer shall set aside~~
10 ~~in a separate fund from such revenues received in each year an~~
11 ~~amount sufficient for the payment of the principal and interest~~
12 ~~of such loan maturing on August 1st next.~~

13 Enacting section 1. Section 3 of 1943 PA 143, MCL 141.253,
14 is repealed.