

HOUSE SUBSTITUTE FOR
SENATE BILL NO. 1082

A bill to amend 1947 PA 235, entitled

"An act to regulate the ownership, extension, improvement and operation of public water and sewage disposal systems lying within 2 or more public corporations; to authorize the acquisition, by any public corporation, of that part of a public water or sewage disposal system lying within its boundaries; and to provide for the payment and security of revenue bonds issued for the construction, acquisition, extension and improvement of such systems,"

by amending sections 6 and 10 (MCL 123.336 and 123.340).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 6. (1) If there ~~be~~ ARE outstanding revenue bonds
2 issued for the acquisition, construction, extension, or improve-
3 ment of ~~such~~ THE system, ~~such~~ THE bonds may be retired either
4 by the issue of joint refunding bonds on behalf of all the public
5 corporations by concurrent ordinances of their respective legis-
6 lative or governing bodies, or by the apportionment of the
7 outstanding indebtedness among the several public corporations

SB1082, As Passed House, May 14, 2002

Senate Bill No. 1082

2

1 and assumption by each of its proportion ~~thereof~~ OF
2 INDEBTEDNESS, or the issue by each of revenue refunding bonds or
3 other obligations for its proportion. Unless otherwise provided
4 by contract, the outstanding indebtedness, if ~~such~~ THE plan of
5 refunding or assumption ~~shall be~~ IS adopted by either public
6 corporation, and if there ~~be non-callable~~ ARE NONCALLABLE bonds
7 the owners of which do not consent to ~~the~~ surrender ~~thereof~~
8 for redemption, exchange, or indorsement, the plan may neverthe-
9 less be made effective if provision ~~be~~ IS made for the subordi-
10 nation of the refunding or assumed bonds to those not consenting
11 and for a separate bond and interest redemption fund for ~~such~~
12 THE non-consenting bonds and the deposit ~~therein~~ of all money
13 required by the ordinance under which the bonds were originally
14 issued for the payment of the non-consenting bonds and reserves
15 ~~therefor,~~ before any provision is made for the payment of the
16 refunding or assumed bonds or reserves. ~~therefor.~~

17 (2) BONDS ISSUED UNDER THIS SECTION ARE SUBJECT TO THE REVE-
18 NUE BOND ACT OF 1933, 1933 PA 94, MCL 141.101 TO 141.140.

19 Sec. 10. (1) If the system ~~shall be~~ IS operated as a
20 single unit, by a joint board or by 1 public corporation as agent
21 for all, the operating board or agency shall provide for the pay-
22 ment of the necessary amounts into the operation and maintenance
23 fund and into the bond and interest redemption fund for all bonds
24 secured by the revenues of the entire system. The public corpo-
25 rations may, by contract, provide for the joint holding and man-
26 agement of other revenues or for their apportionment and deposit
27 into separate bond and interest redemption funds for bonds,

SB1082, As Passed House, May 14, 2002

Senate Bill No. 1082

3

1 severally issued or assumed and into separate depreciation,
2 contingent, and surplus funds. Unless otherwise provided by
3 ~~such~~ THE contract, ~~such~~ THOSE revenues shall be divided and
4 paid quarterly or ~~oftener~~ MORE OFTEN into their respective
5 treasuries and set apart by each into the appropriate funds.
6 Unless otherwise provided by ~~such~~ THE contract, each public
7 corporation shall have control of the construction of extensions
8 and improvements to the system within its boundaries, and shall
9 be entitled to its proportion of the contingent and surplus funds
10 for that purpose.

11 (2) THE CONTRACTS DESCRIBED IN SUBSECTION (1) ARE NOT
12 SUBJECT TO THE REVISED MUNICIPAL FINANCE ACT, 2001 PA 34,
13 MCL 141.2101 TO 141.2821.