

SENATE BILL No. 833

November 29, 2001, Introduced by Senator BYRUM and referred to the Committee on Finance.

A bill to amend 1933 PA 99, entitled

"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,"

by amending section 1 (MCL 123.721), as amended by 1997 PA 77.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

SENATE BILL No. 833

1 Sec. 1. (1) A village, township, city, or school district,
2 after adoption of a resolution by its governing body approving
3 the action, may enter into any contract or agreement for the pur-
4 chase of real or personal property for public purposes, to be
5 paid for in installments over a period of not to exceed 15 years
6 and not to exceed the useful life of the property acquired as
7 determined by the resolution. For school buses, the determined
8 useful life shall not exceed 6 years. The outstanding balance of

1 all purchases authorized under this act, exclusive of interest,
2 shall not exceed 1-1/4% of the taxable value of the real and per-
3 sonal property in the village, township, city, or school district
4 at the date of the contract or agreement. The limitations do not
5 apply to contracts or leases entered into under 1948 (1st Ex
6 Sess) PA 31, MCL 123.951 to 123.965, or to other contracts or
7 leases between public corporations or municipalities. The con-
8 tracts or agreements, and the purchase of property under the con-
9 tracts or agreements are not subject to the provisions of the
10 ~~municipal finance act, 1943 PA 202, MCL 131.1 to 139.3~~ REVISED
11 MUNICIPAL FINANCE ACT, 2001 PA 34, MCL 141.2101 TO 141.2821.

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

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

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