

Act No. 199
Public Acts of 2002
Approved by the Governor
April 26, 2002
Filed with the Secretary of State
April 29, 2002
EFFECTIVE DATE: April 29, 2002

**STATE OF MICHIGAN
91ST LEGISLATURE
REGULAR SESSION OF 2002**

Introduced by Senator DeBeaussaert

ENROLLED SENATE BILL No. 974

AN ACT to amend 1939 PA 342, entitled "An act to authorize counties to establish and provide water, sewer, or sewage disposal improvements and services within or between cities, villages, townships, charter townships, or any duly authorized and established combinations thereof, within or without the county, and to establish and provide garbage or rubbish collection and disposal facilities and services for such units of government or combinations thereof, and for such purposes to acquire, purchase, construct, own, maintain, or operate water mains and trunk and connecting lines, water pumping and purification plants, sewers, sewage interceptors, sewage disposal plants, settling basins, screens and meters, and incinerators and disposal grounds; to authorize counties to establish, administer, coordinate, and regulate a system or systems of water, sewer, or sewage disposal improvements and services, and garbage and rubbish collection and disposal facilities and services, within or between such units of government; to provide methods for obtaining money for the aforesaid purposes; to authorize counties to extend by laterals and connections, and to construct, improve, repair, manage, or operate water, sewer, or sewage disposal improvements and garbage and rubbish collection and disposal facilities and services of and situated within such cities, villages, townships, charter townships, or any duly authorized and established combination thereof, and provide for the loan of money to such units of government for the purposes and the repayment thereof by agreements therefor; to provide methods for collection of rates, charges, or assessments; to authorize counties to enter into contracts with any unit of government providing for the acquisition, construction, and financing of improvements or facilities and for the pledge of the full faith and credit of each unit of government for the payment of their respective shares of the cost thereof; to authorize each unit of government having power to tax to impose taxes without limitation as to rate or amount for the payment of contract obligations in anticipation of which bonds are issued; to authorize counties to issue bonds secured by the full faith and credit pledges of each unit of government; to authorize counties to pledge their full faith and credit as additional security on such bonds and to impose taxes without limitation as to rate or amount to the extent necessary for the payment of such bonds; to authorize counties to issue revenue bonds and to pledge their full faith and credit as additional security for the payment of such revenue bonds; to validate action taken and bonds issued; and to prescribe penalties and provide remedies," by amending sections 5a and 5c (MCL 46.175a and 46.175c), section 5c as amended by 1983 PA 183.

The People of the State of Michigan enact:

Sec. 5a. As an additional or alternative method of acquiring and constructing any of the improvements or facilities authorized by this act, the county, acting through its county agency, and any unit of government may enter into

contracts providing for the acquisition, construction, and financing of improvements or facilities in the manner authorized in this act. The contracts shall provide for the allocation and payment of the share of the total cost to be borne by each unit of government in annual installments for a period of not exceeding 40 years, and each contracting unit of government is authorized to pledge its full faith and credit for the payment of the obligation in the manner and times specified in the contracts. A contract described in this section is not subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821. For the purpose of making payment of its pledged share of the cost of the improvements or facilities, any contracting unit of government may use any, or all, or any combination of the following methods of raising funds:

(a) The levy of a tax on taxable property by a unit of government having the power to tax, which tax may be imposed without limitation as to rate or amount and in addition to any taxes that the unit of government may be authorized to levy but not more than the rate or amount sufficient for those purposes.

(b) The levy of special assessments on property benefited by the improvements, the procedures relative to the making and collection of the special assessments to conform as near as may be to applicable charter or statutory provisions.

(c) The levy and collection of rates or charges to users and beneficiaries of the service furnished by the improvement.

(d) From money received or to be received derived from the imposition of taxes by this state, except as the use of the money for that purpose is expressly prohibited by the state constitution of 1963.

(e) From any other funds that may be validly used for that purpose. The contracts may provide for any and all matters relating to the acquisition, construction, and financing of the improvements or facilities as are considered necessary, including the authority to the county agency to issue bonds secured by the full faith and credit contractual pledges of the contracting unit of government, as authorized by section 5c. The contracts may provide for appropriate remedies in case of default, including, but not limited to, the right of the contracting unit of government to authorize the state treasurer or other official charged with the disbursement of unrestricted state funds returnable to the governmental units under the state constitution of 1963, to withhold sufficient funds to make up any default or deficiency in funds.

Sec. 5c. (1) For the purpose of obtaining funds for the acquisition and construction of the improvements or facilities authorized by this act, the county after the execution of the contract or contracts authorized by sections 5a and 5b, upon resolution adopted by its county board of commissioners, may issue its negotiable bonds secured by the full faith and credit pledges made by each contracting unit of government pursuant to authorization contained in this act and the contract or contracts entered into pursuant to sections 5a and 5b. The bonds shall not be delivered until the contract or contracts become effective as provided in section 5b. The bonds shall be issued in the name of the county and shall be executed in such manner as provided in the resolution authorizing the bonds. Bonds issued under this act shall mature in a period not to exceed 40 years. The bonds and coupons shall be exempt from all taxation by this state or by any taxing authority within this state. The bonds shall not pledge the full faith and credit of the issuing county except as otherwise provided in this section. As additional security for the payment of the principal of and interest on any bonds issued under this section, any issuing county may, upon proper resolution adopted by a majority vote of the members-elect of its county board of commissioners, pledge the full faith and credit of the county for the prompt payment of the principal of and interest on the bonds. In the event the county is required to advance any money by reason of a pledge on account of the delinquency of any contracting unit of government and if provided in the contract, the county treasurer shall notify the state treasurer to deduct the amount of money advanced by the county from any unrestricted money in the state treasurer's possession belonging to the unit of government and to pay the amount to the county. The money shall be paid into the general fund of the county. The right of deduction to receive payment from the state treasurer given to the county by this statute shall not operate to limit the county's right to pursue any other legal remedies for the reimbursement of money advanced under this section. The board of commissioners of any county that has advanced any money and that has not been reimbursed may order a unit of government having taxing power and its officers to levy upon its next tax roll an amount sufficient to make the reimbursement on or before the date when its taxes become delinquent and the unit of government and its tax levying and collecting officials shall levy and collect the taxes and reimburse the county. The resolution authorizing the issuance of the bonds shall contain the terms of the contract or contracts authorized by sections 5a and 5b. Sections 5a, 5b, and 5c shall be construed as an additional and alternative method for the acquisition, construction, and financing of the improvements or facilities contemplated by this act, and shall not affect the other provisions of this act relating to the acquisition, construction, or financing of improvements or facilities. Any improvements and facilities contemplated by this act may be acquired, constructed, and financed in part under the provisions of sections 5a, 5b, and 5c and in part under other sections of this act. This act shall not validate any drain orders or bonds issued prior to April 30, 1954.

(2) Bonds issued under this act are subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

This act is ordered to take immediate effect.

Carol Morey Viventi

Secretary of the Senate.

Sam E. Randall

Clerk of the House of Representatives.

Approved _____

Governor.