

Act No. 238
Public Acts of 2002
Approved by the Governor
April 27, 2002
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**STATE OF MICHIGAN
91ST LEGISLATURE
REGULAR SESSION OF 2002**

Introduced by Senator Peters

ENROLLED SENATE BILL No. 865

AN ACT to amend 1989 PA 186, entitled "An act to provide for the establishment of a department of solid waste management in certain counties; to prescribe the powers and duties of certain public corporations; to provide for the incurring of certain contract obligations and the issuance and payment of certain bonds and notes by certain public corporations; to provide for a public corporation to pledge its full faith and credit and to levy taxes; and to prescribe a procedure for condemnation," by amending sections 7, 8, and 9 (MCL 45.587, 45.588, and 45.589).

The People of the State of Michigan enact:

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

(a) The issuance of revenue bonds under the revenue bond act of 1933, 1933 PA 94, MCL 141.101 to 141.140, or any other applicable act.

(b) The issuance of bonds in anticipation of payments to become due under 1 or more contracts whereby 1 or more public corporations, including the county itself, agree to pay to the county certain sums toward the cost of the acquisition, improvement, enlargement, or extension of a system instituted under this act.

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

(d) Through money advanced, periodically, before or during construction of a system, by a public corporation, in which event the county shall reimburse the corporation, with interest not to exceed 10% per annum or without interest as may be agreed, when funds are available. The obligation of the county to make this reimbursement may be evidenced by a contract or note that may be made payable out of the payments to be made by public corporations under a contract described in section 9 or 13, out of the proceeds of bonds issued pursuant to this act by the county, or out of any other available money. However, the contract or note shall not be considered an obligation within the meaning of the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

Sec. 8. Bonds issued under this act shall be authorized by a resolution or ordinance adopted by the county board of commissioners. The county board of commissioners may, by a majority vote of its members elect, pledge the full faith and credit of the county for the prompt payment of the principal of and interest on any bonds, including revenue bonds, issued pursuant to this act. If it becomes necessary for the county to advance money, other than its share of the cost of the project for the payment of principal and interest, then the county is entitled to reimbursement from any surplus from time to time existing in the fund from which the principal and interest are primarily payable. If the full faith and credit of the county are pledged for the payment of principal of and interest on any bonds issued pursuant to this act, the county may, in the case of insufficiency of funds primarily pledged for the payment, pay the principal and interest from its general fund or levy taxes, but not in excess of the rate or amount necessary to make up the deficiency and not in excess of, or contrary to, constitutional limitations. The bonds shall be issued in the name of the county and shall be executed by the manual or facsimile signatures of the chairperson of the county board of commissioners and the county clerk, and the seal of the county shall be impressed or imprinted on the bonds. The bonds issued under this act shall be

negotiable instruments and shall have a last maturity date of not more than 40 years. The bonds shall be issued pursuant to the revenue bond act of 1933, 1933 PA 94, MCL 141.101 to 141.140, or the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821, and in all cases where required by article IX of the constitution of 1963, shall be subject to a vote of the people. Bonds issued under this act are exempt from all taxation by this state or by any taxing authority within the state.

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

(2) In a contract entered into under subsection (1), each contracting public corporation shall pledge its full faith and credit for the payment of its obligations under the contract. If the public corporation has taxing power, it may each year levy a tax in an amount that is sufficient for the prompt payment of all or part of the contract obligations due before the following year's tax collection. The contract is not subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821. If the contract or an unlimited tax pledge in support of the contract has been approved by the electors, the tax may be in addition to any tax that the public corporation otherwise may be authorized to levy and may be imposed without limitation as to rate or amount, but shall not be in excess of the rate or amount necessary to pay the contract obligation. For the payment of contractual obligations incurred pursuant to this section, a township shall levy a tax only on the taxable property of the township not incorporated as a village unless the township and a village have agreed that a part of the capacity in the county system allocated to the township by contract pursuant to this act will be used to serve areas in a village located wholly or partly within the township and the village has not itself agreed to purchase that capacity in the county system. If a contracting public corporation at the time of its annual tax levy has on hand in cash or has budgeted any amount pledged to the payment of the current obligations for which the tax levy is to be made, then the annual tax levy may be reduced by that amount. For the purpose of obtaining the credit, money may be raised by a public corporation by 1 or more of the following methods:

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

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

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

(d) Setting aside other available money.

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

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

This act is ordered to take immediate effect.

Carol Morey Viventi

Secretary of the Senate.

Ray E. Randall

Clerk of the House of Representatives.

Approved _____

Governor.