

Act No. 276
Public Acts of 2002
Approved by the Governor
May 8, 2002
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**STATE OF MICHIGAN
91ST LEGISLATURE
REGULAR SESSION OF 2002**

Introduced by Senator North

ENROLLED SENATE BILL No. 853

AN ACT to amend 1895 PA 3, entitled "An act to provide for the government of certain villages; to define their powers and duties; to provide for the levy and collection of taxes, borrowing of money, and issuance of bonds and other evidences of indebtedness by villages subject to this act; to define the powers and duties of certain state and local officers and entities; to define the application of this act and provide for its amendment by villages subject to this act; to validate prior amendments and certain prior actions taken and bonds issued by villages subject to this act; to provide for the disincorporation of villages; and to prescribe penalties and provide remedies," by amending section 36 of chapter VIII, sections 5, 21, and 25 of chapter IX, and sections 4 and 5 of chapter XII (MCL 68.36, 69.5, 69.21, 69.25, 72.4, and 72.5), section 36 of chapter VIII as amended by 1989 PA 28 and sections 5, 21, and 25 of chapter IX and sections 4 and 5 of chapter XII as amended by 1998 PA 254.

The People of the State of Michigan enact:

CHAPTER VIII

Sec. 36. (1) The council of a village may provide by resolution for energy conservation improvements to be made to village facilities and may pay for the improvements from operating funds of the village or from the savings that result from the energy conservation improvements. Energy conservation improvements may include, but are not limited to, heating system improvements, fenestration improvements, roof improvements, the installation of any insulation, the installation or repair of heating or air conditioning controls, and entrance or exit way closures.

(2) The council of a village may acquire 1 or more of the energy conservation improvements described in subsection (1) by installment contract or may borrow money and issue notes for the purpose of securing funds for the improvements or may enter into contracts in which the cost of the energy conservation improvements is paid from a portion of the savings that result from the energy conservation improvements. These contractual agreements may provide that the cost of the energy conservation improvements are paid only if the energy savings are sufficient to cover their cost. An installment contract or notes issued pursuant to this subsection shall extend for a period of time not to exceed 10 years. Notes issued pursuant to this subsection shall be full faith and credit, tax limited obligations of the village, payable from tax levies and the general fund as pledged by the council of the village. The notes are subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821. This subsection does not limit in any manner the borrowing or bonding authority of a village as provided by law.

(3) If energy conservation improvements are made as provided in this section, the village council shall report the following information to the department of treasury within 60 days of the completion of the improvements:

- (a) Name of each facility to which an improvement is made and a description of the conservation improvement.
- (b) Actual energy consumption during the 12-month period before completion of the improvement.
- (c) Project costs and expenditures.
- (d) Estimated annual energy savings.

(4) If energy conservation improvements are made as provided in this section, the village council shall report to the department of treasury, by July 1 of each of the 5 years after the improvements are completed, only the actual annual energy consumption of each facility to which improvements are made. The forms for the reports required by this section shall be furnished by the department of treasury.

CHAPTER IX

Sec. 5. The council may raise by special assessment upon the lands in sewer districts and special assessment districts, for the purpose of defraying the cost and expense of grading, paving, and graveling streets, and for constructing drains and sewers, and for making other local improvements, charged upon the lands in the district in proportion to frontage or benefits, such sums as they shall consider necessary to defray the costs of the improvements.

Sec. 21. Subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821, the council may borrow money, and give notes of the village, in anticipation of 1 or more of the following:

- (a) The receipt of revenue sharing payments under the Glenn Steil state revenue sharing act of 1971, 1971 PA 140, MCL 141.901 to 141.921.
- (b) The collection of taxes.

Sec. 25. A loan may not be made by the council or by its authority in any year, exceeding the amounts prescribed in this act. For a loan lawfully made, the bonds of the village may be issued subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821. The bonds shall be executed in the manner directed by the council. Bonds issued or indebtedness incurred by a village before January 30, 1974 are validated.

CHAPTER XII

Sec. 4. (1) A village may borrow a sum of money not exceeding 5% of the taxable value of the property in the village as shown by the last preceding tax roll, to be used exclusively for the purpose of purchasing or constructing and maintaining lighting works as provided in this chapter. The council may fix the time and place of the payment of the principal and interest of the debt contracted under the provisions of this chapter, and issue bonds of the village for those purposes. Bonds issued under this section are subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

(2) The total amount expended for the purchase or construction of the lighting works shall not exceed the amount of the estimate of expense provided for in section 3 of this chapter.

Sec. 5. (1) After lighting works have been purchased or constructed in the village as provided in this chapter, the council may raise and expend money to repair, alter, or extend the lighting works without submitting the question to the electors of the village. However, the sum to be so raised, in any 1 year, shall be included in, and shall not increase the total amount that the council is authorized to raise under section 1 of chapter IX.

(2) Instead of raising the funds by tax, the council may, by a contract that does not impose a general obligation on the village, provide for repairs, alterations, or extensions of the lighting works. The contract shall provide for payment of the contract out of the net revenues which, after payment of obligations due, provision for payment of obligations to become due, and payment of legitimate and necessary operating and other expenses are available from the operation of the lighting works after completion of the repairs, alterations, or extensions. The contract shall provide for the retention of title to materials furnished in the seller until paid for in full. However, a contract made under this section does not deprive the people of the village of any right vested in them by the constitution or the laws of this state, grant a franchise or its operating equivalent, or convey title to property to any person not possessed of such title before the execution of the title retaining contract.

(3) Instead of raising funds to repair, alter, or extend the lighting works by tax as provided by section 1 of chapter IX, or using funds available from the operation of the lighting works, as provided in this section, the council may borrow money and issue bonds in the manner provided in section 3 of this chapter for the acquisition or construction of lighting works, except that approval of the proposal requires the affirmative vote of 3/5 of the electors voting on the question.

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.