

Act No. 410
Public Acts of 2002
Approved by the Governor
June 3, 2002
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**STATE OF MICHIGAN
91ST LEGISLATURE
REGULAR SESSION OF 2002**

Introduced by Senator Smith

ENROLLED SENATE BILL No. 1073

AN ACT to amend 1929 PA 312, entitled "An act to provide for the incorporation by any 2 or more cities, villages, or townships, or any combination or parts thereof, of a metropolitan district comprising territory within their limits for the purpose of acquiring, owning, and operating parks or public utilities for supplying sewage disposal, drainage, water, or transportation, or any combination thereof; to provide that a district may sell or purchase sewage disposal, drainage rights, water, or transportation facilities; to provide that a district may acquire and succeed to the rights, obligations, and property of such cities, villages, and townships respecting or connected with such functions or public utilities but subject to the approval of a majority of the electors voting thereon; to limit the rate of taxation of a district for its municipal purposes and restrict its powers of borrowing money and contracting debts; to provide the method and vote by which charters may be framed, adopted, and amended and laws and ordinances relating to its municipal concerns may be enacted; to define the powers, rights, and liabilities of a district; to provide for the dissolution of a district; and to prescribe penalties and provide remedies," by amending sections 4 and 5 (MCL 119.4 and 119.5).

The People of the State of Michigan enact:

Sec. 4. Each district incorporated under the provisions of this act may provide in its charter for 1 or more of the following:

(a) For annually levying and collecting taxes in a sum not to exceed 1/2 of 1% of the assessed value of all real and personal property in the district.

(b) For borrowing money on the credit of the district in a sum not to exceed 2% of the assessed value of all real and personal property in the district for the purpose of acquiring, owning, purchasing, constructing, maintaining, or operating parks or public utilities, for supplying sewage disposal, drainage, water, or transportation, or any combination of these. A district may borrow money and issue bonds for any of the purposes described in this subdivision that will impose no liability upon the district but may be paid and secured only by special assessment levied against each parcel for the particular public improvement and for the payment of the bonds that are issued. A district incorporated under the provisions of this act, may, for the purpose of acquiring, owning, purchasing, constructing, or operating any public utility described in this subdivision, issue mortgage bonds that may be issued beyond the general limit of bonded

indebtedness prescribed by this act. A mortgage bond issued beyond the general limits of bonded indebtedness shall not impose any liability upon the district but shall be secured only upon the property and revenues of the public utility, including the franchise, stating the terms upon which, in case of foreclosure, the purchaser may operate the public utility, which franchise shall in no case extend for a longer period than 20 years from the date of the sale of the utility and franchise on foreclosure. A mortgage bond shall be sold for not less than par, bear interest at a rate not in excess of 6%, and the total amount shall not exceed 60% of the original cost of the utility. The charter of any district shall provide for the creation of a sinking fund by setting aside a percentage of the gross or net earnings of the public utility as may be deemed sufficient for the payment of the mortgage bonds at maturity.

(c) For a lien on any property and for taxes for the payment of any bonds issued or for the cost and expense of making any improvement described in this section.

(d) For laying and collecting rents, tolls and excises.

(e) For a special assessment district to provide for the cost and expense of any park or public utility, or combination of a park and public utility, as provided in this section.

(f) For the purchase or condemnation of the franchises, if any exist, and of the property used in the operation of companies or individuals engaged in or operating public utilities for supplying sewage disposal, drainage, water, or transportation, or any combination of these. Each district may in its charter provide that it may make a contract upon the terms, including terms of present or deferred payment and upon the conditions and in the manner as the district may consider proper, to purchase, operate, and maintain any existing public utility property for supplying sewage disposal, drainage, water, or transportation, or any combination of these within or without its limits. If without its limits, the purchase must be incidental to the operation and maintenance of the public utility. A contract shall not bind the district unless the proposition on the contract shall receive the affirmative vote of 3/5 of the electors voting on the proposition at a regular or special election. In the event of any such purchase, the charter amendment and the contract to purchase shall provide for the creation of a sinking fund, into which shall be paid from time to time, from the earnings of the utility, sums sufficient to insure the payment of the purchase price and the performance of the obligations of the contract to the end that the entire cost of the public utility shall eventually be paid from its earnings. The powers in this subdivision are in addition to the other powers provided for in this act, and the exercise of these powers shall not impair or affect the right to exercise any other powers.

(g) For the purchase, gift, or condemnation of private property for any public use or purpose provided for and within the scope of its power. If by condemnation, the provisions of 1911 PA 149, MCL 213.21 to 213.25, or other appropriate provisions may be adopted and used for the purpose of instituting and prosecuting condemnation proceedings.

(h) For the initiative and referendum on all matters within the scope of its powers and for the recall of all its officials.

(i) For altering, amending, or repealing any charter affecting the district.

(j) For the enforcement of all local, police, sanitary, and other regulations as are not in conflict with the general laws of this state.

(k) For a system of civil service.

(l) For the exercise of all district powers in the management and control of district property and in the administration of metropolitan district government, whether the powers are expressly enumerated or not. For any act to advance the interest of the district and the good government and prosperity of the district and to pass all laws and ordinances relating to its concerns subject to the constitution and general laws of this state. The power to acquire a rapid transit system is expressly conferred by this act, which may consist of a tunnel, subway, surface, or elevated system, or any combination of these. A rapid transit system shall be considered to be transportation within the meaning of this act and the provisions relating to other public utilities shall also apply.

(m) A revenue bond issued under this act is subject to the revenue bond act of 1933, 1933 PA 94, MCL 141.101 to 141.140. All bonds issued under this act, other than revenue bonds, are subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

Sec. 5. A district shall not do any of the following:

(a) Change the salary or emoluments of any public official after his or her election or appointment or during his or her term of office. The term of any public official shall not be shortened or extended beyond the period for which he or she was elected or appointed, unless he or she resigns or is removed for cause if the office is held for a fixed term.

(b) Adopt a charter or any amendment to a charter unless approved by a majority of the electors of each city, village, or township, voting on the charter or amendment.

(c) Sell any public utility unless approved by a majority vote of the electors of each city, village, or township voting on the proposition.

(d) Make any contract with, or give any official position to, anyone who is in default to the district or city, village, or township comprising the district.

(e) To repudiate any debt by any change in its charter or by consolidation with any other municipality.

This act is ordered to take immediate effect.

Carol Morey Viventi

Secretary of the Senate.

Jay E. Randall

Clerk of the House of Representatives.

Approved

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Governor.