

Act No. 415
Public Acts of 2002
Approved by the Governor
June 3, 2002
Filed with the Secretary of State
June 3, 2002
EFFECTIVE DATE: June 3, 2002

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

Introduced by Senator Sikkema

ENROLLED SENATE BILL No. 1082

AN ACT to amend 1947 PA 235, entitled "An act to regulate the ownership, extension, improvement and operation of public water and sewage disposal systems lying within 2 or more public corporations; to authorize the acquisition, by any public corporation, of that part of a public water or sewage disposal system lying within its boundaries; and to provide for the payment and security of revenue bonds issued for the construction, acquisition, extension and improvement of such systems," by amending sections 6 and 10 (MCL 123.336 and 123.340).

The People of the State of Michigan enact:

Sec. 6. (1) If there are outstanding revenue bonds issued for the acquisition, construction, extension, or improvement of the system, the bonds may be retired either by the issue of joint refunding bonds on behalf of all the public corporations by concurrent ordinances of their respective legislative or governing bodies, or by the apportionment of the outstanding indebtedness among the several public corporations and assumption by each of its proportion of indebtedness, or the issue by each of revenue refunding bonds or other obligations for its proportion. Unless otherwise provided by contract, the outstanding indebtedness, if the plan of refunding or assumption is adopted by either public corporation, and if there are noncallable bonds the owners of which do not consent to surrender for redemption, exchange, or indorsement, the plan may nevertheless be made effective if provision is made for the subordination of the refunding or assumed bonds to those not consenting and for a separate bond and interest redemption fund for the non-consenting bonds and the deposit of all money required by the ordinance under which the bonds were originally issued for the payment of the non-consenting bonds and reserves before any provision is made for the payment of the refunding or assumed bonds or reserves.

(2) Bonds issued under this section are subject to the revenue bond act of 1933, 1933 PA 94, MCL 141.101 to 141.140.

Sec. 10. (1) If the system is operated as a single unit, by a joint board or by 1 public corporation as agent for all, the operating board or agency shall provide for the payment of the necessary amounts into the operation and maintenance fund and into the bond and interest redemption fund for all bonds secured by the revenues of the entire system. The public corporations may, by contract, provide for the joint holding and management of other revenues or for their apportionment and deposit into separate bond and interest redemption funds for bonds, severally issued or assumed and into separate depreciation, contingent, and surplus funds. Unless otherwise provided by the contract, those revenues shall be divided and paid quarterly or more often into their respective treasuries and set apart by each into the appropriate funds. Unless otherwise provided by the contract, each public corporation shall have control of the construction of extensions and improvements to the system within its boundaries, and shall be entitled to its proportion of the contingent and surplus funds for that purpose.

(2) The contracts described in subsection (1) are not 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.