

# SENATE BILL No. 674

June 25, 2009, Introduced by Senators BARCIA, CROPSEY and PAPPAGEORGE and referred to the Committee on Economic Development and Regulatory Reform.

A bill to amend 1955 PA 233, entitled

"An act to provide for the incorporation of certain municipal authorities to acquire, own, extend, improve, and operate sewage disposal systems, water supply systems, and solid waste management systems; to prescribe the rights, powers, and duties thereof; to authorize contracts between such authorities and public corporations; to provide for the issuance of bonds to acquire, construct, extend, or improve the systems; and to prescribe penalties and provide remedies,"

by amending section 7 (MCL 124.287), as amended by 2002 PA 241.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 7. (1) The authority and any of its constituent  
2 municipalities **OR AN INDIAN TRIBE** may enter into a contract or  
3 contracts providing for the acquisition, construction, improvement,  
4 enlargement, extension, operation, and financing of a sewage  
5 disposal system, a water supply system, a solid waste management

1 system, or a combination of systems. ~~, which~~ **THE** contract or  
 2 contracts shall provide for the allocation and payment of the share  
 3 of the total cost to be borne by each contracting municipality **OR**  
 4 **INDIAN TRIBE** in annual installments for a period of not exceeding  
 5 40 years. Each contracting municipality may pledge its full faith  
 6 and credit for the payment of the obligation in the manner and  
 7 times specified in the contract or contracts. ~~, in which event each~~  
 8 **IF A** contracting municipality **MAKES SUCH A PLEDGE, IT** may include  
 9 in its annual tax levy an amount sufficient so that the estimated  
 10 collections from the tax levy will be sufficient to promptly pay  
 11 when due the portion of the obligation falling due before the time  
 12 of the following year's tax collection. The contract is not subject  
 13 to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to  
 14 141.2821. If the contract or an unlimited tax pledge in support of  
 15 the contract has been approved by the electors of a municipality,  
 16 the tax may be in addition to any tax that the municipality may  
 17 otherwise be authorized to levy and may be imposed without  
 18 limitation as to rate or amount but shall not be in excess of the  
 19 rate or amount necessary to pay the contractual obligation. If at  
 20 the time of making the annual tax levy ~~, there are other funds on~~  
 21 hand earmarked for the payment of the contractual obligation, ~~then~~  
 22 credit for those funds may be taken upon the annual levy for the  
 23 payment of the obligation. Other funds may be raised by each  
 24 contracting municipality by the use of ~~any, or all, or any~~  
 25 ~~combination~~ **1 OR MORE** of the following additional methods:

26 (a) The levy of special assessments on property benefited by a  
 27 sewage disposal system, water supply system, or a combination of

1 systems. ~~the~~ **THE** procedures relative to the levying and  
2 collection of the special assessments ~~to~~ **SHALL** conform as near  
3 **NEARLY** as is applicable to charter or statutory provisions for the  
4 levying and collection, except that a petition ~~shall~~ **IS** not be  
5 required from property owners.

6 (b) The levy and collection of ~~rates or~~ charges to users and  
7 beneficiaries of the service or services furnished by the sewage  
8 disposal system, water supply system, solid waste management  
9 system, or combination of systems.

10 (c) The exaction of connection charges to be paid by owners of  
11 land directly or indirectly connected with the sewage disposal  
12 system, water supply system, solid waste management system, or  
13 combination of systems.

14 (d) The receipt of money derived from the imposition of taxes  
15 by this state, except ~~as~~ **TO THE EXTENT THAT** the use of the money  
16 for ~~the~~ **THIS** purpose is expressly prohibited by the state  
17 constitution of 1963.

18 (e) The receipt of other funds that may be validly used for  
19 ~~the~~ **THIS** purpose.

20 (2) The contract or contracts **UNDER SUBSECTION (1)** may provide  
21 for any ~~and all~~ matters relating to the acquisition, construction,  
22 operation, and financing of the sewage disposal system, water  
23 supply system, solid waste management system, or combination of  
24 systems as are considered necessary, including authorization to the  
25 authority to issue bonds secured by the full faith and credit  
26 pledges of the contracting municipalities, as authorized by section  
27 9. The contract or contracts may provide for **AN** appropriate remedy

1 or remedies in case of default.