

SENATE BILL No. 591

September 27, 2017, Introduced by Senators STAMAS, SHIRKEY and BRANDENBURG
and referred to the Committee on Finance.

A bill to amend 1895 PA 3, entitled
"The general law village act,"
by amending section 22 of chapter IX (MCL 69.22), as amended by
1998 PA 254.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1
2
3
4
5
6
7

CHAPTER IX-FINANCE AND TAXATION.

Sec. 22. (1) ~~Should~~ **IF** any greater amount ~~be~~ **IS** required in
any year for any lawful purpose than can otherwise be raised by the
council under this chapter, the amount may be raised by tax or
loan, or partly by tax and partly by loan. If approved by a
majority vote of the electors at an annual or special village
election, the council may levy a tax ~~which,~~ **THAT**, in any year,

1 ~~shall~~**MUST** not exceed 2% of the assessed valuation of the real and
2 personal property within the village, as shown by the last
3 preceding assessment roll of the village.

4 (2) The amount of indebtedness incurred by the issue of bonds
5 or otherwise, including existing indebtedness, ~~shall~~**MUST** not
6 exceed 10% of the assessed valuation of the real and personal
7 property within the village subject to taxation as shown by the
8 last preceding assessment roll of the village. Bonds issued in
9 anticipation of the collection of special assessments even though
10 the bonds are a general obligation of the village, motor vehicle
11 highway fund bonds even though they are a general obligation of the
12 village, revenue bonds, or bonds issued or contract or assessment
13 obligations incurred to comply with an order of the department of
14 environmental quality or a court of competent jurisdiction, even
15 though they are a general obligation of the village and bonds
16 issued or contract or assessment obligations incurred for water
17 supply, sewage, drainage, or refuse disposal necessary to protect
18 the public health by abating pollution even though they are a
19 general obligation of the village, are not included in this
20 limitation. Money on hand in a sinking fund limited to the payment
21 of indebtedness may be treated as a reduction of the indebtedness
22 to that extent. In case of fire, flood, or other calamity requiring
23 an emergency fund for the relief of the inhabitants of the village,
24 or for the repairing or rebuilding of any of its municipal
25 buildings, works, bridges, or streets, the council may borrow money
26 due in not more than 3 years and in an amount not exceeding 1/4 of
27 1% of the taxable valuation of the village, notwithstanding that

1 the loan may increase the indebtedness of the village beyond the
2 limitations fixed by this section. If a village is authorized to
3 acquire or operate a public utility, the village may issue mortgage
4 bonds therefor beyond the general limit of bonded indebtedness
5 prescribed by this section. The mortgage bonds issued beyond the
6 limit of general indebtedness prescribed by this section ~~shall~~**MUST**
7 not impose any liability upon the village, but ~~shall~~**MUST** be
8 secured only upon the property and revenues of the public utility,
9 including its franchise, stating the terms upon which, in case of
10 foreclosure, the purchaser may operate the public utility; which
11 franchise ~~shall~~**MUST** not extend for a period of more than 20 years
12 from the date of the sale of the utility and franchise on
13 foreclosure. All bonds issued, or contract or assessment
14 obligations incurred, before January 30, 1974 are validated.

15 **(3) IN COMPUTING THE NET INDEBTEDNESS FOR THE PURPOSES OF**
16 **SUBSECTION (2), THERE MAY BE ADDED TO THE ASSESSED VALUE OF REAL**
17 **AND PERSONAL PROPERTY IN A VILLAGE FOR A FISCAL YEAR AN AMOUNT**
18 **EQUAL TO THE ASSESSED VALUE EQUIVALENT OF CERTAIN VILLAGE REVENUES**
19 **AS DETERMINED UNDER THIS SUBSECTION. THE ASSESSED VALUE EQUIVALENT**
20 **MUST BE CALCULATED BY DIVIDING THE SUM OF THE FOLLOWING AMOUNTS BY**
21 **THE VILLAGE'S MILLAGE RATE FOR THE FISCAL YEAR:**

22 **(A) THE AMOUNT PAID OR THE ESTIMATED AMOUNT REQUIRED TO BE**
23 **PAID BY THE STATE TO THE VILLAGE DURING THE VILLAGE'S FISCAL YEAR**
24 **FOR THE VILLAGE'S USE UNDER THE GLENN STEIL STATE REVENUE SHARING**
25 **ACT OF 1971, 1971 PA 140, MCL 141.901 TO 141.921, AND THE AMOUNT OF**
26 **ANY ELIGIBLE REIMBURSEMENT TO THE VILLAGE UNDER THE LOCAL COMMUNITY**
27 **STABILIZATION AUTHORITY ACT, 2014 PA 86, MCL 123.1341 TO 123.1362,**

1 EXCEPT ANY AMOUNT DISTRIBUTED UNDER SECTION 17(4)(C) OF THE LOCAL
2 COMMUNITY STABILIZATION AUTHORITY ACT, 2014 PA 86, MCL 123.1357, IN
3 EXCESS OF THE VILLAGE'S QUALIFIED LOSS. THE DEPARTMENT OF TREASURY
4 SHALL CERTIFY THESE AMOUNTS UPON REQUEST. AS USED IN THIS
5 SUBDIVISION, "QUALIFIED LOSS" MEANS THAT TERM AS DEFINED IN SECTION
6 5 OF THE LOCAL COMMUNITY STABILIZATION AUTHORITY ACT, 2014 PA 86,
7 MCL 123.1345.

8 (B) THE AMOUNT LEVIED BY THE VILLAGE FOR ITS OWN USE DURING
9 THE VILLAGE'S FISCAL YEAR FROM THE SPECIFIC TAX LEVIED UNDER 1974
10 PA 198, MCL 207.551 TO 207.572.

11 (C) THE AMOUNT LEVIED BY THE VILLAGE FOR ITS OWN USE DURING
12 THE VILLAGE'S FISCAL YEAR FROM THE SPECIFIC TAX LEVIED UNDER THE
13 COMMERCIAL REDEVELOPMENT ACT, 1978 PA 255, MCL 207.651 TO 207.668.

14 Enacting section 1. This amendatory act takes effect 90 days
15 after the date it is enacted into law.