

COUNTY DEPARTMENT AND BOARD OF PUBLIC WORKS (EXCERPT)
Act 185 of 1957

123.741 Methods of financing systems or improvements.

Sec. 11. (1) The acquirement of a water supply, sewage disposal or refuse system, or the making of lake improvements or erosion control systems, or the improvement, enlargement, or extension of any of these may be financed by 1 or more of the following methods:

(a) By the issuance of revenue bonds under the revenue bond act of 1933, 1933 PA 94, MCL 141.101 to 141.140, or any other applicable act.

(b) By the issuance of bonds in anticipation of payments to become due under contracts where 1 or more municipalities agree to pay to the county operating under this act certain sums toward the cost of the acquisition, improvement, enlargement, or extension of a project that may be made under this act.

(c) By the issuance of bonds in anticipation of the payment of special assessments made by the board of public works.

(d) By money advanced by a county operating under this act under agreements with a municipality or municipalities for the repayment of the money.

(e) By money advanced, from time to time, before or during construction of a project by a public corporation, in which event the county operating under this act shall reimburse the corporation, with interest not to exceed 8% per annum or without interest as may be agreed, when funds are available for that purpose. The obligation of the county to make the reimbursement may be evidenced by a contract or note, the contract or note may be made payable out of the payments to be made by municipalities, under contracts as described in section 12 or 15, or out of the proceeds of bonds issued under this act by the county or out of any other available funds. The contract or note is not subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

(2) Bonds issued under this act shall be authorized by an ordinance or a resolution approved by the board of public works and adopted by the county board of commissioners of the county operating under this act. The county board of commissioners is authorized by a 3/5 vote of its members elect, to pledge the full faith and credit of the county for the prompt payment of the principal of and interest on any bonds issued pursuant to this act. The county's full faith and credit may be pledged to the payment of principal and interest on revenue bonds issued under subsection (1)(a). If it becomes necessary for the county operating under this act to advance any money, other than its share of the cost of the project, for the payment of principal and interest, then it shall be entitled to reimbursement from any surplus from time to time existing in the fund from which the principal and interest are primarily payable. If the faith and credit of the county is pledged for the payment of principal of and interest on any bonds issued under this act, the county may, in the case of insufficiency of funds primarily pledged for the payment, pay the funds from its general fund or levy taxes without limitation as to rate or amount in addition to any other taxes that the county is authorized to levy but not in excess of the rate or amount necessary to make up the deficiency. The bonds shall be issued in the name of the county and shall be executed by the chairperson of the county board of commissioners and its county clerk, who shall also cause their facsimile signatures to be affixed to the interest coupons to be attached to the bonds. The county clerk shall also affix to the bonds the seal of the county. Bonds issued under this act are negotiable instruments and shall be serial bonds payable annually, with the first maturity due not more than 5 years and the last maturity not more than 40 years from the date of issue. This subsection shall apply to special assessment bonds as well as other bonds. Annual maturity payable after 5 years from the date of the bonds shall not be less than 1/4 of the amount of any subsequent maturity on the same series of bonds. The bonds shall bear interest at not more than the maximum rate permitted by the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821, payable semiannually except that the first coupon may be for any number of months not exceeding 10. The bonds and coupons shall be made payable in lawful money of the United States of America and shall be exempt from all taxation by this state or by any taxing authority within this state. The county board of commissioners may authorize the board of public works to sell the bonds in accordance with the laws of this state.

History: 1957, Act 185, Imd. Eff. June 4, 1957;—Am. 1964, Act 42, Eff. Aug. 28, 1964;—Am. 1967, Act 63, Imd. Eff. June 20, 1967;—Am. 1970, Act 234, Imd. Eff. Dec. 3, 1970;—Am. 1973, Act 89, Imd. Eff. Aug. 5, 1973;—Am. 1974, Act 200, Imd. Eff. July 9, 1974;—Am. 1976, Act 64, Imd. Eff. Mar. 30, 1976;—Am. 2002, Act 407, Imd. Eff. June 3, 2002.