

BLIGHTED AREA REHABILITATION (EXCERPT)
Act 344 of 1945

125.77b General obligation bonds of municipality; purpose; resolution; pledge of full faith and credit; "cost of any project" and "net project cost" defined; issuance and sale of bonds; maximum amount; designation and approval of bonds; legislative determination; assessed value of real and personal property; validation of actions and bonds; limitation on time of sale; provisions governing bonds.

Sec. 7b. (1) For the purpose of providing funds to pay all or part of the cost of any project undertaken under this act or the net project cost of any project undertaken under this act with federal financial assistance, a municipality may provide by resolution duly adopted by its legislative body and without vote of the electors of the municipality for borrowing money and issuing general obligation bonds of the municipality, which bonds shall pledge the full faith and credit of the municipality.

(2) As used in this section:

(a) "Cost of any project" means any or all of the following items: Cost of land acquisition, demolition of buildings, land and site improvements, plans, surveys, appraisals, and all other costs relating to the acquisition, rehabilitation, financing, and disposal of any project or any part of a project under the terms of this act.

(b) "Net project cost" means that term as defined in former section 110 of the housing act of 1949, 42 U.S.C. 1460.

(3) The bonds may be issued and sold from time to time during the progress of any project undertaken under this act, in which event the maximum amount of bonds issued shall not exceed the estimated cost of any project undertaken under this act or the estimated net cost of any project undertaken under this act with federal assistance. The legislative body in the resolution authorizing issuance of the bonds shall set forth the estimate or the bonds may be issued when any project has been completed. Bonds issued under this section shall be designated "rehabilitation bonds". All bonds issued under this section are subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821. It being the determination of this legislature that urban blight constitutes a serious menace to public health, welfare, and safety of municipalities and their inhabitants and that the financing of projects designed to prevent or eliminate urban blight is necessary for the public health, welfare, and safety, the bonds authorized to be issued under this section are declared to be issued for an essential public and governmental purpose. The maximum principal amount of bonds that may be authorized under this section in any year shall not exceed an amount equal to 5% of the assessed value of the real and personal property in the municipality less the taxes actually levied for the year exclusive of debt service tax levies and taxes levied under other laws, and less budget bonds authorized for the year issued or authorized to be issued and less any bonds authorized in the year to be issued under sections 6a and 6b of 1949 PA 208, MCL 125.946a and 125.946b. For the purposes of this section, the assessed value of real and personal property in the municipality shall include the assessed value equivalent of money received during the municipality's fiscal year under the Glenn Steil state revenue sharing act of 1971, 1971 PA 140, MCL 141.901 to 141.921. All actions previously taken by a municipality authorizing the issuance of bonds and all bonds previously issued by a municipality are validated. Any bonds authorized to be issued under this section shall be sold not later than 3 full fiscal years from the end of the fiscal year in which the bonds are authorized to be issued. The maximum amount of bonds issued under this section that may be outstanding at any one time shall not, together with other outstanding indebtedness of the municipality, exceed the maximum limitations on bonded indebtedness of the municipality imposed by law.

(4) Except as otherwise provided in this act, the bonds shall not be subject to the provisions of any other law or charter provision relating to their issuance or sale.

(5) The legislative body of any municipality issuing bonds under this section in the resolution authorizing issuance of the bonds shall estimate the period of usefulness of the planned improvements to be installed in the development area after the project is completed.

History: Add. 1957, Act 296, Eff. Sept. 27, 1957;—Am. 1958, Act 60, Imd. Eff. Apr. 8, 1958;—Am. 1970, Act 223, Eff. Apr. 1, 1971;—Am. 1972, Act 119, Imd. Eff. Apr. 18, 1972;—Am. 1973, Act 76, Imd. Eff. July 31, 1973;—Am. 1978, Act 346, Imd. Eff. July 12, 1978;—Am. 1983, Act 32, Imd. Eff. May 6, 1983;—Am. 1986, Act 320, Imd. Eff. Dec. 26, 1986;—Am. 2002, Act 202, Imd. Eff. Apr. 29, 2002.