

HOUSE BILL No. 4124

February 9, 1989, Introduced by Reps. Honigman, Willis Bullard, Munsell, Dunaskiss and Jondahl and referred to the Committee on Taxation.

A bill to amend sections 7, 8, 10, 11, 12, 14, 15, and 21 of Act No. 185 of the Public Acts of 1957, entitled as amended

"An act to authorize the establishing of a department and board of public works in counties; to prescribe the powers and duties of any municipality subject to the provisions of this act; to authorize the incurring of contract obligations and the issuance and payment of bonds or notes; to provide for a pledge by a municipality of its full faith and credit and the levy of taxes without limitation as to rate or amount to the extent necessary; to validate obligations issued; and to prescribe a procedure for special assessments and condemnation,"

being sections 123.737, 123.738, 123.740, 123.741, 123.742, 123.744, 123.745, and 123.751 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Sections 7, 8, 10, 11, 12, 14, 15, and 21 of Act
2 No. 185 of the Public Acts of 1957, being sections 123.737,
3 123.738, 123.740, 123.741, 123.742, 123.744, 123.745, and 123.751
4 of the Michigan Compiled Laws, are amended to read as follows:

1 Sec. 7. A county establishing a department of public works
2 ~~shall have~~ HAS the following powers to be administered by the
3 board of public works subject to any APPLICABLE limitations:
4 ~~thereon.~~

5 (a) To acquire a water supply system within 1 or more areas
6 in the county and to improve, enlarge, extend, operate, and main-
7 tain the system.

8 (b) To acquire a sewage disposal system within 1 or more
9 areas in the county and to improve, enlarge, extend, operate, and
10 maintain the system.

11 (c) To acquire a refuse system within 1 or more areas in the
12 county and to improve, enlarge, extend, operate, and maintain the
13 system.

14 (d) To make lake improvements within 1 or more areas in the
15 county and to improve, enlarge, extend, operate, and maintain the
16 improvements.

17 (e) To acquire an erosion control system within 1 or more
18 areas in the county and to improve, enlarge, extend, operate, and
19 maintain the ~~improvements~~ SYSTEM.

20 (F) TO ACQUIRE PARKING FACILITIES WITHIN 1 OR MORE AREAS OF
21 THE COUNTY AND TO IMPROVE, ENLARGE, EXTEND, OPERATE, AND MAINTAIN
22 THE PARKING FACILITIES.

23 (G) TO ACQUIRE PARKS WITHIN 1 OR MORE AREAS OF THE COUNTY
24 AND TO IMPROVE, ENLARGE, EXTEND, OPERATE, AND MAINTAIN THE PARKS.

25 Sec. 8. A county operating under this act may acquire out-
26 side its corporate limits ~~any~~ part of a water supply system
27 ~~which~~ THAT is necessary for ~~the purpose of securing~~ a source

1 of supply and may acquire outside its corporate limits ~~any~~ part
2 of a sewage disposal system or refuse system ~~which~~ THAT is nec-
3 essary for the purpose of disposing, including ~~treatment~~
4 TREATING or ~~incineration, of~~ INCINERATING, its sewage or
5 refuse. A county operating under this act may also acquire ~~any~~
6 part of a water supply system, a sewage disposal system, OR a
7 refuse system; ~~or~~ make lake improvements; ~~or~~ or acquire ero-
8 sion control systems, PARKING FACILITIES, OR PARKS in an adjoin-
9 ing county ~~or counties~~ upon the consent expressed by contract
10 with or resolution of the governing body of ~~the~~ EACH municipal-
11 ity ~~or municipalities in such adjoining county or counties~~ in
12 which ~~such~~ THE PROJECT OR part of the system ~~or lake~~
13 ~~improvements~~ is to be located IN THE ADJOINING COUNTY or which
14 is to be served by ~~such~~ THE PROJECT OR part of the system
15 LOCATED IN THE ADJOINING COUNTY. ~~The exercise by any county of~~
16 ~~such powers outside its corporate limits shall be subject to all~~
17 ~~constitutional provisions relating thereto.~~

18 Sec. 10. The ~~establishment~~ ACQUISITION of a county water
19 supply, sewage disposal, or refuse system; ~~or~~ the making of
20 county lake improvements; ~~or~~ AND THE ACQUISITION OF erosion
21 control systems, PARKING FACILITIES, OR PARKS shall be approved
22 by RESOLUTION OF a majority of the members elect of the county
23 board of commissioners. ~~Prior to~~ BEFORE approval of lake
24 improvements OR EROSION CONTROL SYSTEMS, the county board of com-
25 missioners shall submit to the department of natural resources
26 preliminary plans ~~which provide for making the lake~~
27 ~~improvements~~ for the ~~department of natural resources~~

1 DEPARTMENT'S review and approval. ~~Before approval of erosion~~,
2 ~~control systems the county board of commissioners shall submit to~~
3 ~~the department of natural resources preliminary plans for the~~
4 ~~department's review and approval.~~ Before construction of erosion
5 control systems, final plans and specifications shall be approved
6 by the department. After the county board of commissioners'
7 approval, the board of public works ~~shall have power to~~ MAY
8 acquire the system, ~~or~~ make THE LAKE improvements, OR ACQUIRE
9 THE PARKING FACILITY OR PARK and ~~to~~ improve, enlarge, extend,
10 operate, and maintain the ~~same~~ SYSTEM, LAKE IMPROVEMENTS, PARK-
11 ING FACILITY, OR PARK, subject to any restrictions ~~placed~~
12 ~~thereon~~ IMPOSED by the county board of commissioners in the res-
13 olution ~~establishing the same~~ or by this act. ~~Any 2~~ TWO or
14 more systems, PARKS, OR PARKING FACILITIES established by a
15 county and the areas ~~served thereby~~ THAT THEY SERVE may be
16 merged or combined by resolution adopted by a majority of the
17 members elect of ~~its county~~ THE COUNTY'S board of
18 commissioners. ~~after which the~~ THE merged or combined systems,
19 PARKS, OR PARKING FACILITIES may be improved, enlarged, extended,
20 operated, and maintained under this act as a single system serv-
21 ing the total areas of the systems. ~~but~~ HOWEVER, a merger or
22 combination shall not affect either the rights and obligations
23 acquired by a municipality by ~~any~~ A contract with respect to an
24 established system, ~~or~~ PARK, OR PARKING FACILITY; the security
25 of ~~any~~ bonds; or the prompt payment of principal or interest
26 ~~thereon~~ ON BONDS. A resolution adopted by the governing body
27 of ~~any~~ A city, village, township, or charter township

1 authorizing and approving a contract with a county acting through
 2 its board of public works with respect to the financing or loca-
 3 tion of or service from ~~any~~ A sewage disposal or refuse system
 4 constitutes, notwithstanding any statutory or charter limitation
 5 to the contrary, a permit to acquire, improve, enlarge, extend,
 6 operate, and maintain the sewage disposal or refuse system within
 7 the corporate limits of the city, village, township, or charter
 8 township. ~~, but no~~ NO treatment or disposal plants, incinera-
 9 tors, works, grounds, filter beds, or other similar sewage or
 10 refuse disposal facilities; ~~,~~ sanitary landfills; ~~,~~ or dumps
 11 shall actually be located in ~~any~~ A municipality without a reso-
 12 lution and contract.

13 Sec. 11. (1) The ~~acquisition~~ ACQUISITION, IMPROVEMENT,
 14 ENLARGEMENT, OR EXTENSION of a water supply, sewage disposal,
 15 ~~or~~ refuse, OR EROSION CONTROL system; ~~,~~ OF A PARKING FACILI-
 16 TY; OR OF A PARK or the making, ~~of a lake improvements or ero-~~
 17 ~~sion control systems, or the~~ improvement, enlargement, or exten-
 18 sion ~~thereof~~ OF A LAKE IMPROVEMENT may be financed ~~in any~~ BY
 19 1 OR MORE of the following methods: ~~, or any combination~~
 20 thereof:

21 (a) ~~By the~~ THE issuance of revenue bonds under the provi-
 22 sions of THE REVENUE BOND ACT OF 1933, Act No. 94 of the Public
 23 Acts of 1933, as amended, being sections 141.101 to ~~+41.139-~~
 24 141.140 of the Michigan Compiled Laws, or any other applicable
 25 act.

26 (b) ~~By the~~ THE issuance of bonds in anticipation of
 27 payments to become due under contracts ~~whereby~~ IN WHICH 1 or

1 more municipalities agree to pay to the county operating under
2 this act certain sums toward the cost of the acquisition,
3 improvement, enlargement, or extension of a project ~~which may~~
4 ~~be~~ made under this act.

5 (c) ~~By the~~ THE issuance of bonds in anticipation of the
6 payment of special assessments made by the board of public
7 works.

8 (d) ~~By moneys~~ MONEY advanced by a county operating under
9 this act under agreements with a municipality or municipalities
10 for the repayment of the ~~same~~ MONEY.

11 (e) By ~~moneys~~ MONEY advanced, from time to time, ~~prior~~
12 ~~to~~ BEFORE or during construction of a project, by a public or
13 private corporation, firm, or individual, in which event the
14 county operating under this act shall reimburse the ~~person~~
15 INDIVIDUAL, firm, or corporation, with interest not to exceed 8%
16 per annum or without interest as may be agreed, when funds are
17 available. ~~therefor.~~ The obligation of the county to make the
18 reimbursement may be evidenced by a contract or note, which con-
19 tract or note may be made payable out of the payments to be made
20 by municipalities, under contracts as described in section 12 or
21 15, or out of the proceeds of bonds issued pursuant to this act
22 by the county, or out of any other available funds, but the con-
23 tract or note shall not be ~~deemed~~ CONSIDERED to be an obliga-
24 tion within the meaning of ~~the provisions of~~ THE MUNICIPAL
25 FINANCE ACT, Act No. 202 of the Public Acts of 1943, as amended,
26 being sections 131.1 to ~~138.2~~ 139.3 of the Michigan Compiled
27 Laws.

1 (2) Bonds issued under this act shall be authorized by an
2 ordinance or a resolution approved by the board of public works
3 and adopted by the county board of commissioners of the county
4 operating under this act. The county board of commissioners ~~is~~
5 ~~authorized~~ by a 3/5 vote of its members elect ~~, to~~ MAY pledge
6 the full faith and credit of the county for the prompt payment of
7 the principal of and interest on ~~any~~ bonds issued pursuant to
8 this act. The county's full faith and credit may be pledged to
9 the payment of principal and interest on revenue bonds issued
10 pursuant to subsection (1) (a). If it becomes necessary for the
11 county operating under this act to advance ~~any moneys~~ MONEY,
12 other than its share of the cost of the project, for the payment
13 of principal and interest, then it ~~shall be~~ IS entitled to
14 reimbursement from any surplus from time to time existing in the
15 fund from which the principal and interest are primarily
16 payable. If the faith and credit of the county is pledged for
17 the payment of principal of and interest on ~~any~~ bonds issued
18 pursuant to this act, the county may, in the case of insuffi-
19 ciency of funds primarily pledged for the payment, pay the ~~same~~
20 PRINCIPAL AND INTEREST from its general fund or ~~levy~~ BY LEVYING
21 taxes without limitation as to rate or amount ~~therefor~~ in addi-
22 tion to any other taxes that the county is authorized to levy but
23 not in excess of the rate or amount necessary to make up the
24 deficiency.

25 (3) The bonds shall be issued in the name of the county and
26 shall be executed by the ~~chairman~~ CHAIRPERSON of the county
27 board of commissioners and its county clerk, who shall ~~also~~

1 cause their facsimile signatures to be affixed to the interest
2 coupons to be attached to the bonds. The county clerk shall also
3 affix to the bonds the seal of the county. Bonds issued under
4 this act shall be negotiable instruments and shall be serial
5 bonds payable annually, with the first maturity due not more than
6 5 years and the last maturity DUE not more than 40 years from the
7 date ~~thereof~~ OF THE BONDS. The foregoing provisions ~~shall~~
8 apply to special assessment bonds as well as other bonds. Annual
9 maturity payable after 5 years from the date of the bonds shall
10 not be less than 1/4 of the amount of any subsequent maturity on
11 the same series of bonds. The bonds shall bear interest at not
12 more than the maximum rate permitted by Act No. 202 of the
13 Public Acts of 1943, as amended, payable semiannually, except
14 that the first coupon may be for any number of months not exceed-
15 ing 10. The bonds and coupons shall be made payable in lawful
16 money of the United States of America and shall be exempt from
17 ~~all~~ taxation by the state or by any taxing authority within the
18 state. The county board of commissioners may authorize the board
19 of public works to sell the bonds in accordance with the laws of
20 this state.

21 Sec. 12. (1) A county operating under this act and any 1 or
22 more municipalities ~~including the county itself~~ may enter into
23 a contract or contracts for the acquisition, improvement,
24 enlargement, or extension of a water supply, ~~a~~ sewage disposal,
25 ~~or a~~ refuse, OR EROSION CONTROL system; ~~—~~ OF A PARKING FACIL-
26 ITY; OR OF A PARK or the making, IMPROVEMENT, ENLARGEMENT, OR
27 EXTENSION of A lake ~~improvements or erosion control systems~~

1 IMPROVEMENT and for the payment of the cost ~~thereof~~ OF THE
2 PROJECT by the contracting municipalities, with interest, over a
3 period not exceeding 40 years.

4 (2) In the contract, each contracting municipality may
5 pledge its full faith and credit for the payment of its obliga-
6 tions under the contract. If the municipality has taxing power,
7 it may each year levy a tax in an amount ~~which will be~~ suffi-
8 cient for the prompt payment of all or part of the contract obli-
9 gations due before the following year's tax collection. If the
10 contract or an unlimited tax pledge in support of the contract
11 has been approved by the electors, the tax may be in addition to
12 any tax which the municipality may otherwise be authorized to
13 levy and may be imposed without limitation as to rate or amount
14 but shall not be in excess of the rate or amount necessary to pay
15 the contract obligation. For the payment of contractual obliga-
16 tions incurred pursuant to this act, a township shall levy a tax
17 only on the taxable property in the unincorporated areas of the
18 township unless the township and a village have agreed that a
19 part of the capacity in the county system allocated to the town-
20 ship by contract pursuant to this act will be used to serve areas
21 in a village located wholly or partly within the township and the
22 village has not itself agreed to purchase the capacity in the
23 county system. If a contracting municipality at the time of its
24 annual tax levy has on hand in cash any amount pledged to the
25 payment of the current obligations for which the tax levy is to
26 be made, then the annual tax levy may be reduced by that amount.

1 (3) For the purpose of obtaining the credit, funds may be
2 raised by a municipality ~~in any~~ BY 1 OR MORE of the following
3 methods:

4 (a) ~~By service~~ SERVICE charges to users of the system,
5 PARKING FACILITY, PARK, or lake improvements.

6 (b) ~~By special~~ SPECIAL assessment upon lands benefited.

7 (c) ~~By the~~ THE exaction of charges for the connection of
8 properties, directly or indirectly, to the system or for the
9 availability of the system to serve properties, directly or indi-
10 rectly, or at a present or future time.

11 (d) ~~By setting~~ SETTING aside any ~~state collected funds~~
12 ~~disbursed to the municipality and~~ MONEY usable ~~therefor~~ FOR
13 OBTAINING THE CREDIT.

14 ~~(e) By setting aside any other available money.~~

15 (4) For the purpose of obtaining the credit,
16 ~~municipalities~~ A MUNICIPALITY contracting for the acquisition,
17 improvement, enlargement, or extension of an erosion control
18 system shall levy special assessments upon ~~all~~ lands benefited
19 to cover not less than 3/4 of the total project cost contracted
20 for by the ~~local unit~~ MUNICIPALITY.

21 (5) A municipality may agree to raise all or any part of its
22 contract obligation by any of the methods provided in this sec-
23 tion which are available. The powers in this act granted to any
24 municipality shall be exercised by its governing body. A con-
25 tract entered into before May 12, 1959, ~~which~~ THAT complies
26 with this act ~~is~~ is validated.

1 (6) IF THE CONTRACTING MUNICIPALITIES PAY THE COST OF THE
2 ACQUISITION, IMPROVEMENT, ENLARGEMENT, EXTENSION, OPERATION, AND
3 MAINTENANCE OF A PARKING FACILITY OR PARK ENTIRELY BY SPECIAL
4 ASSESSMENTS, THE GOVERNING BODIES OF THE MUNICIPALITIES MAY LIMIT
5 ACCESS TO THE PARKING FACILITY OR PARK TO THE OWNERS AND OCCU-
6 PANTS OF PROPERTY IN THE SPECIAL ASSESSMENT DISTRICT AND THEIR
7 GUESTS AND PATRONS.

8 Sec. 14. A county operating under this act, by action of
9 its board of public works, may acquire property for a water
10 supply, ~~an~~ erosion control, ~~system,~~ ~~a~~ sewage disposal, or ~~a~~
11 refuse system; A PARKING FACILITY; A PARK; or ~~for~~ lake improve-
12 ments by purchase, construction, lease, gift, devise, or condem-
13 nation, either within or without its corporate limits and may
14 hold, manage, control, sell, exchange, or lease the property.
15 Real estate shall not be disposed of without the approval of the
16 county board of commissioners. For the purpose of condemnation
17 it may proceed as provided in chapter 3. If the property
18 acquired by a county is already being used for water supply,
19 sewage or refuse disposal, PARKING, PARK, or lake improvement
20 purposes, ~~such~~ THE use may be continued by the county without a
21 resolution of or contract with the municipality in which the
22 property is located.

23 Sec. 15. ~~Any + or more municipalities or other public~~
24 ~~corporations~~ A COUNTY OPERATING UNDER THIS ACT MAY CONTRACT WITH
25 A PUBLIC OR PRIVATE CORPORATION, either within or without the
26 county, ~~shall have authority to contract~~ for the purchase OR
27 SALE of water, ~~or~~ sewage, ~~or~~ refuse, PARK, OR PARKING

1 services. ~~or transportation from a county operating under this~~
2 ~~act. Any~~ IF THE CONTRACT IS FOR SALE OF SERVICES BY THE COUNTY,
3 charges specified in ~~any such~~ THE contract ~~shall be~~ ARE
4 subject to increase by ~~such~~ THE county at any time, if neces-
5 sary ~~, in order~~ to provide funds to meet the obligations of the
6 project involved. ~~The county operating under this act may enter~~
7 ~~into contract with any public or private corporation, for the~~
8 ~~purchase by such county from or for the sale by the county to the~~
9 ~~corporation of water or sewage or refuse services, and for the~~
10 ~~right to transport sewage through the sewers of the county or of~~
11 ~~the corporation or to use the facilities of the other. Any~~ A
12 contract authorized ~~herein~~ BY THIS SECTION shall be for a
13 period of not exceeding 50 years.

14 Sec. 21. The board of public works ~~shall have power to~~
15 MAY determine that ~~the whole~~ ALL or ~~any~~ part of the cost of
16 ~~any~~ A project shall be defrayed by special assessments against
17 the properties especially benefited ~~thereby~~ BY THE PROJECT. IF
18 THE COST OF THE ACQUISITION, IMPROVEMENT, ENLARGEMENT, EXTENSION,
19 OPERATION, AND MAINTENANCE OF A PARKING FACILITY OR PARK IS
20 DEFRAYED ENTIRELY BY SPECIAL ASSESSMENTS, THE COUNTY BOARD OF
21 COMMISSIONERS MAY LIMIT ACCESS TO THE PARKING FACILITY OR PARK TO
22 THE OWNERS AND OCCUPANTS OF PROPERTY IN THE SPECIAL ASSESSMENT
23 DISTRICT.