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DEBT LIMIT EXEMPTION FOR CSOs

House Bill 4450 and 4451
Sponsor: Rep. Beverly Hammerstrom
Committee: Local Government

Complete to 3-3-95

A SUMMARY OF HOUSE BILL 4450 AND 4451 AS INTRODUCED 2-21-95

The Home Rule Village Act (MCL 78.26) places a limit on the level of debt villages may incur (generally, no more than 10 percent of the assessed value of all real and personal property within the village). There are certain exceptions to this limit, including bonds issued for the construction, improvement, or replacement of a combined sewer overflow abatement facility. House Bill 4450 would, in addition, specifically exempt assessments or contract obligations incurred for combined sewer overflow projects.

The Charter Township Act (MCL 42.14a) contains a similar 10 percent limit on debt, but its list of exceptions does not cover indebtedness for combined sewer overflow abatement facilities. House Bill 4451 would exempt from the debt limit bonds issued or contract or assessment obligations incurred for the construction, improvement, or replacement of such a facility. (It would also put in the act definitions relating to such a facility now found in other acts governing local units.)

House Bills 4450 and 4451 (3-3-95)