



# SENATE BILL No. 455

April 19, 1995, Introduced by Senator SHUGARS and referred to the Committee on Local, Urban and State Affairs.

A bill to amend section 4 of Act No. 175 of the Public Acts of 1952, entitled as amended

"An act to authorize incorporated cities and villages to borrow money and issue bonds in anticipation of future payments from the motor vehicle highway fund, for any purpose or purposes for which said funds may be used and for the purpose of refunding such bonds; authorizing the pledging of the faith and credit of the issuing city or village, upon proper resolution of its governing body, as additional security for the payment of said bonds; and to prescribe procedures and conditions relative to the issuance of such bonds,"

being section 247.704 of the Michigan Compiled Laws.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 4 of Act No. 175 of the Public Acts of  
2 1952, being section 247.704 of the Michigan Compiled Laws, is  
3 amended to read as follows:

4 Sec. 4. ~~No~~ A city or village ~~may~~ SHALL NOT pledge, for  
5 annual debt service requirements, in excess of ~~45%~~ 50% of the  
6 revenues received, during the fiscal year next preceding any

1 borrowings, from the motor vehicle highway fund pursuant to Act  
2 No. 51 of the Public Acts of 1951, ~~as amended,~~ being sections  
3 247.651 to ~~247.673~~ of the Compiled Laws of 1948. Nothing herein  
4 ~~shall be construed as a prohibition against successive borrowings~~  
5 ~~so long as~~ 247.675 OF THE MICHIGAN COMPILED LAWS. THIS ACT DOES  
6 NOT PROHIBIT SUCCESSIVE BORROWINGS IF the total amount of reve-  
7 nues pledged for annual debt service requirements ~~shall not~~  
8 ~~exceed the applicable percentage above described and so long as~~  
9 DOES NOT EXCEED 50% AND IF the total aggregate amount of borrow-  
10 ing ~~shall~~ DOES not exceed an amount which ~~the above mentioned~~  
11 ~~45%~~ 50% of the revenues will service as to annual principal and  
12 interest requirements.