

HIGHWAYS WITHIN TOWNSHIPS (EXCERPT)
Act 111 of 1956

247.354 Bonds issued in anticipation of sales tax money; additional security; irrevocable pledge and appropriation; annual debt service requirements; limitation; successive borrowings; bonds and notes subject to revised municipal finance act.

Sec. 4.

(1) Bonds issued under this act in anticipation of sales tax revenue to be returned to the township shall be payable primarily from the proceeds of revenues derived from sales tax revenue collected by the state and returned to the township under section 10 of article IX of the state constitution of 1963.

(2) As additional security for the payment of the bonds, the township board may submit to the qualified electors of the township the question of pledging the full faith and credit of the township for the payment of the bonds, as provided in section 5; and if a majority of the qualified electors voting on the issue approve the question, the township board may pledge the full faith and credit of the township for the payment of the bonds, in which event, if the sales tax proceeds are not sufficient to pay the bonds and the interest on the bonds, they shall be payable from any money in the contingent fund of the township or from ad valorem taxes that the township shall levy without limitation as to rate or amount.

(3) The township board in the resolution shall make an irrevocable pledge and appropriation of an amount sufficient for payment of the principal of and interest upon the bonds or short term notes from revenues derived from sales tax revenue collected by the state and returned to the township under section 10 of article IX of the state constitution of 1963. The township board may not pledge for annual debt service requirements in any future calendar year on the bonds or short term notes an amount in excess of 50% of the average revenues derived from sales tax revenues collected by the state and returned to the township under section 10 of article IX of the state constitution of 1963 in the 3 calendar years immediately preceding the borrowing. Nothing contained in this section shall be construed as a prohibition against successive borrowings if the total amount of revenues pledged for annual debt service requirements does not exceed the applicable percentage described in this section.

(4) Bonds and notes issued under this act are subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

History: 1956, Act 111, Imd. Eff. Apr. 13, 1956 ;-- Am. 1983, Act 109, Imd. Eff. July 6, 1983 ;-- Am. 2002, Act 336, Imd. Eff. May 23, 2002