

HOUSE BILL No. 5823

April 9, 2002, Introduced by Rep. Bisbee and referred to the Committee on Tax Policy.

A bill to amend 1994 PA 451, entitled
"Natural resources and environmental protection act,"
by amending section 4302 (MCL 324.4302).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 4302. The waterworks system, intercepting sewers,
2 pumping stations, sewage disposal plant and system, transfer sta-
3 tion, and garbage and refuse processing or disposal plant and
4 system, are public utilities within the meaning of any constitu-
5 tional or statutory provisions for the purpose of acquiring, pur-
6 chasing, owning, operating, constructing, equipping, and main-
7 taining the waterworks system, intercepting sewers, pumping sta-
8 tions, sewage disposal plant and system, transfer station, and
9 garbage and refuse processing or disposal plant and system. A
10 local unit of government may issue FULL faith and credit bonds or
11 mortgage bonds for the purposes described in this part beyond the

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1 general limits of the bonded indebtedness prescribed by law
2 except as provided in this section. The mortgage bonds as pro-
3 vided in this section shall not impose any general liability upon
4 the local unit of government but shall be secured only on the
5 property and revenues of the utility as provided in this section,
6 including a franchise, stating the terms upon which the purchaser
7 may operate the utility in case of foreclosure. The franchise
8 shall not extend for a longer period than 20 years from the date
9 of the sale on foreclosure. ~~The mortgage bonds shall be sold~~
10 ~~for not less than par, bear interest at a rate not to exceed the~~
11 ~~maximum rate permitted by the municipal finance act, Act No. 202~~
12 ~~of the Public Acts of 1943, being sections 131.1 to 139.3 of the~~
13 ~~Michigan Compiled Laws, and the~~ total amount OF MORTGAGE BONDS
14 shall not exceed 60% of the original cost of the utility except
15 as provided in this section. Bonds shall not be issued as gen-
16 eral obligations of the local unit of government except upon a
17 3/5 affirmative vote of the qualified electors of the local unit
18 of government and except as provided in this section, not in
19 excess of 3% of the assessed valuation of the real and personal
20 property of the local unit of government as shown by the last
21 preceding tax roll. Bonds shall not be issued as FULL faith and
22 credit bonds or mortgage bonds of the utility except upon a 3/5
23 affirmative vote of the legislative body of the local unit of
24 government. BONDS ISSUED UNDER THIS SECTION ARE SUBJECT TO THE
25 REVENUE BOND ACT OF 1933, 1933 PA 94, MCL 141.101 TO 141.140.