

SENATE BILL No. 1304

May 8, 2002, Introduced by Senators SIKKEMA and STEIL and referred to the Committee on Finance.

A bill to amend 1933 PA 99, entitled

"An act to authorize villages, townships, cities, and school districts to enter into contracts and agreements for the purchase of real or personal property for public purposes; to provide for the payment of the purchase price thereof; to authorize school districts to enter into certain other contracts; and to prescribe the use of the real or personal property,"

by amending section 1 (MCL 123.721), as amended by 1997 PA 77.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

SENATE BILL No. 1304

1 Sec. 1. (1) A village, township, city, or school district,
2 after adoption of a resolution by its governing body approving
3 the action, may enter into ~~any~~ A contract or agreement for the
4 purchase of real or personal property for public purposes, to be
5 paid for in installments over a period of not to exceed 15 years
6 FOR PERSONAL PROPERTY, OR OVER A PERIOD OF NOT TO EXCEED 30 YEARS
7 FOR REAL PROPERTY AND BUILDINGS, and not to exceed the useful
8 life of the property acquired as determined by the resolution.

1 For school buses, the determined useful life shall not exceed 6
2 years. ~~The~~ EXCEPT AS PROVIDED IN SUBSECTION (5), THE outstand-
3 ing balance of all purchases authorized under this act, exclusive
4 of interest, shall not exceed 1-1/4% of the taxable value of the
5 real and personal property in the village, township, city, or
6 school district at the date of the contract or agreement. The
7 limitations do not apply to contracts or leases entered into
8 under 1948 (1st Ex Sess) PA 31, MCL 123.951 to 123.965, or to
9 other contracts or leases between public corporations or
10 municipalities. The contracts or agreements, and the purchase of
11 property under the contracts or agreements are not subject to
12 ~~the provisions of~~ the REVISED municipal finance act, ~~1943~~
13 ~~PA 202, MCL 131.1 to 139.3~~ 2001 PA 34, MCL 141.2101 TO
14 141.2821.

15 (2) The governing body of a village, township, city, or
16 school district may include in its budget and pay a sum or sums
17 as may be necessary each year to meet the payments of any
18 installments, and the interest ~~thereon~~ ON THE INSTALLMENTS,
19 when and as the installment becomes due, including overdue
20 installments.

21 (3) The authority granted in this act ~~shall~~ DOES not ~~be~~
22 ~~construed to~~ authorize the governing body of a city, village,
23 township, or school district to levy taxes in excess of statutory
24 or charter limitations without the approval of its electors.

25 (4) The limitations imposed by subsection (1) are not appli-
26 cable to a contract for purchase of lands declared surplus by the
27 United States government or ~~one~~ 1 of its agencies, subject to

1 the prior approval of the contract by the department of
2 treasury.

3 (5) IF THE AGGREGATE OUTSTANDING BALANCE OF PURCHASES FOR
4 REAL PROPERTY AND BUILDINGS ONLY, EXCLUDING INTEREST AND THOSE
5 CONTRACTS OR LEASES THAT ARE ENTERED INTO PURSUANT TO 1948 (1ST
6 EX SESS) PA 31, MCL 123.951 TO 123.965, OR ENTERED INTO WITH A
7 PUBLIC CORPORATION OR MUNICIPALITY, DOES NOT EXCEED 1-1/4% OF THE
8 TAXABLE VALUE OF THE REAL AND PERSONAL PROPERTY IN THE VILLAGE,
9 TOWNSHIP, CITY, OR SCHOOL DISTRICT AT THE DATE OF THE CONTRACT OR
10 AGREEMENT, THEN THE AGGREGATE OUTSTANDING BALANCE OF THE PUR-
11 CHASES FOR REAL PROPERTY AND BUILDINGS SHALL NOT BE INCLUDED IN
12 THE CALCULATION OF THE AGGREGATE OUTSTANDING BALANCE UNDER
13 SUBSECTION (1).