THE GARBAGE DISPOSAL ACT

Act 266 of 1951

AN ACT regulating garbage disposal by cities and villages; to provide for the adoption of ordinances; to provide for the borrowing of money and the issuance of bonds; to provide for rates for services; and to declare the effect of this act.

History: 1951, Act 266, Eff. Sept. 28, 1951

The People of the State of Michigan enact:

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123.361 Garbage disposal act; short title.

Sec. 1.

This act shall be known and may be cited as "the garbage disposal act."

History: 1951, Act 266, Eff. Sept. 28, 1951

123.362 Garbage disposal equipment system; city or village may provide; garbage disposal equipment, definition; garbage grinders.

Sec. 2.

Any city or village may by ordinance provide for a garbage disposal equipment system to acquire, purchase, lease, install, replace or repair garbage disposal equipment. The term "garbage disposal equipment," whenever used in this act, except when otherwise indicated by the context, shall be construed to mean all equipment or machinery of any nature whatsoever and all appurtenances thereto used or useful in treating and reducing garbage and similar waste materials prior to introduction into the sewer system of the city or village, including but not limited to garbage grinders: Provided, That when garbage grinders are installed for such disposal, the city or village shall have a sanitary sewage disposal plant into which the refuse from such garbage grinders is deposited for treatment.

History: 1951, Act 266, Eff. Sept. 28, 1951

123.363 Installation on private property; written agreement with owner; ordinance, provisions, rates and charges, lien, enforcement, priority; discontinuance of water service.

Sec. 3.

Garbage disposal equipment may be installed on private property by said city or village making provision for garbage disposal equipment, as may be required by ordinance, after written agreement with the owner of such property. Any such ordinance adopted pursuant to the provisions of this act shall, in addition to providing for the payment of rates and charges and such other terms and conditions as may be necessary to fully perform and exercise the powers conferred by this act provide that all such garbage disposal equipment shall be deemed the property of the city or village installing such equipment and any such ordinance shall fix the responsibility for the use, care, maintenance and replacement thereof. All such rates and/or

charges shall have as security for their collection a lien upon the building in which said equipment is installed and upon the premises or lot or lots or parcel or parcels of land upon which the building is situated. Such lien shall become effective and shall be enforced as provided by ordinance. Such lien shall have priority over all other liens except taxes, special assessments and liens for unpaid water charges or sewage disposal charges. Any city or village may provide by ordinance for the discontinuance of water service from the building whenever any person shall fail to pay rates or charges for such garbage disposal equipment.

History: 1951, Act 266, Eff. Sept. 28, 1951

123.364 Bonds; issuance, amount, interest, maturity; tax exemption; principal and interest; payment.

Sec. 4.

For the purpose of defraying the cost of purchasing, acquiring, constructing, improving, installing, extending, enlarging, adjusting, and repairing a garbage disposal equipment system, any city or village may borrow money and issue its negotiable bonds for those purposes. However, bonds shall not be issued under this section unless and until the ordinance required by section 3 has been adopted, which ordinance shall set forth a brief description of the contemplated garbage disposal equipment system, the estimated cost of the system and the amount, maximum rate of interest, and the time of payment of the bonds, not to exceed 20 years. The bonds and coupons shall be exempt from any and all taxation by this state or by any taxing authority within this state. The principal of and interest on the bonds shall be payable primarily from the net revenues derived from the operation of the garbage disposal equipment system, and in addition the city or village may pledge the full faith, credit, and resources of the city or village for the payment of the bonds. No bond or coupon issued under this act shall constitute an indebtedness of the city or village within the meaning of any charter, statutory, or constitutional limitation. All bonds issued under this section are subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

History: 1951, Act 266, Eff. Sept. 28, 1951 ;-- Am. 2002, Act 240, Imd. Eff. Apr. 29, 2002

123.365 Self-liquidating bonds, secured by revenues; liability.

Sec. 5.

For the purpose of defraying the cost of purchasing, acquiring, constructing, improving, installing, extending, enlarging, adjusting and/or repairing a garbage disposal equipment system, any city or village may issue self-liquidating bonds in accordance with the provisions of Act No. 94 of the Public Acts of 1933, as amended, being sections 141.101 to 141.139, inclusive, of the Compiled Laws of 1948. Such bonds shall not impose any liability upon the city or village, but shall be secured only by the revenues from the garbage disposal equipment system.

History: 1951, Act 266, Eff. Sept. 28, 1951

123.366 Preliminary expense; appropriation, repayment.

Sec. 6.

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Any city or village which by ordinance provides for a garbage disposal equipment system to be financed by the issuance of bonds as aforesaid, may appropriate for and set up a fund to provide for all necessary preliminary expenses in making a survey estimate of costs and revenues, employment of personnel and all other expenses necessary and to be paid prior to the issuance and delivery of the bonds authorized pursuant to the provisions of this act: Provided, That the funds so appropriated and expended shall be repaid from the first proceeds of the sale of bonds, and the amount of any such appropriation so advanced shall be a first charge against the proceeds of the sale of such bonds.

History: 1951, Act 266, Eff. Sept. 28, 1951

123.367 Use of money received from sale of bonds.

Sec. 7.

All money received from the sale of any bonds issued under this act shall, after the payment of any appropriation made under section 6, be used solely for the purchase, acquisition, construction, improvement, installation, extension, enlargement, adjustment, or repair of the garbage disposal improvement for which the bonds were issued, including any engineering, legal, and other expenses incident to the garbage disposal improvement, and, if determined in the authorizing ordinance, the payment of the interest on the bonds during a period not to exceed the first 3 years following the date of the bonds and the amount required for operation and maintenance prior to the receipt of the first revenues.

History: 1951, Act 266, Eff. Sept. 28, 1951 ;-- Am. 1983, Act 28, Imd. Eff. May 6, 1983 ;-- Am. 2002, Act 240, Imd. Eff. Apr. 29, 2002

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123.368 Free service prohibited.

Sec. 8.

No free service shall be furnished by any such garbage disposal equipment system to any person, firm or corporation, public or private, or to any public agent or instrumentality while any bonds issued in pursuance of this act shall remain unpaid.

History: 1951, Act 266, Eff. Sept. 28, 1951

123.369 Additional bonds; negotiation.

Sec. 9.

Any city or village issuing bonds pursuant to the provisions of this act may, at the time of the authorization of such bonds, provide by ordinance for the issuance of additional bonds of equal standing in the event the bonds first authorized shall prove insufficient or in the event subsequent extension, enlargement, improvement and/or repair is deemed advisable, which said additional bonds may be negotiated from time to time as the proceeds therefrom may be necessary for such purposes.

History: 1951, Act 266, Eff. Sept. 28, 1951

123.370 Retirement of outstanding bonds; new bonds, issuance, refunding bonds, premium; sale, exchange of refunding bonds, surrender and cancellation.

Sec. 10.

Where a borrower has outstanding any bonds issued under the provisions of this act, it may thereafter issue and negotiate new bonds under this act for the purpose of providing for the retirement of such outstanding bonds, in whole or in part. Such new bonds may only be issued in accordance with and subject to the statutory provisions governing the issuance of the bonds so refunded, and except as in the refunding ordinance otherwise provided shall be secured to the same extent and shall have the same source of payment as the bonds which have been thereby refunded. Such refunding bonds may be issued to include the amount of any premium to be paid upon the calling of the bonds to be refunded, or if such bonds are not callable, any premium necessary to be paid in order to secure the surrender of the bonds to be refunded: Provided, That the amount of premium so included shall not in either case exceed 5 per centum of the principal amount of the bonds to be refunded. Nothing in this section shall be construed as providing for the refunding of noncallable unmatured bonds without the consent of the holder or holders thereof. Any such refunding bonds may be sold or may be exchanged for the obligations to be refunded thereby, and if sold, the proceeds shall be deposited in a bank or trust company in a special trust account to be used only for the redemption or purchase of such outstanding bonds. Where refunding bonds are to be issued and sold for the purpose of refunding unmatured noncallable bonds, the latter must be surrendered and cancelled at the time of the delivery to the purchaser of such refunding bonds.

History: 1951, Act 266, Eff. Sept. 28, 1951

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123.371 Service rates fixed by ordinance; supervision and regulation.

Sec. 11.

Rates for services furnished by any garbage disposal equipment system shall be fixed by ordinance. The rates charged shall be sufficient to provide for the payment of the expenses of administration and operation and such expenses of maintenance of the system as may be necessary to preserve the same; and to provide for the payment of principal and interest of all bonds payable therefrom as and when the same become due and payable; and for the creation of any reserve therefor, as required in the ordinance; and to provide for such other expenditures and funds as the ordinance may require. Rates charged for the services furnished pursuant to this act shall not be subject to the supervision or regulation by any state bureau, board, commission or like instrumentality or agency thereof.

History: 1951, Act 266, Eff. Sept. 28, 1951

123.372 Authority additional to other powers.

Sec. 12.

The authority hereby given shall be in addition to and not in derogation of any power existing or hereinafter granted to any city or village under any statutory or charter provisions.

History: 1951, Act 266, Eff. Sept. 28, 1951

123.373 Powers conferred upon cities and villages; authorization and issuance not subject to referendum.

Sec. 13.

Unless otherwise provided in this act, the powers herein conferred upon cities and villages shall be exercised by their respective governing bodies; and this act shall be construed as authorizing the issuance of bonds hereunder without submitting the proposition for the approval of the same to voters of the borrower, and the authorization and issuance of bonds pursuant to this act shall not be subject to a referendum vote of the electors of the city and village.

History: 1951, Act 266, Eff. Sept. 28, 1951

123.374 Liberal construction of act.

Sec. 14.

This act being necessary for and to secure the public health, safety and welfare of cities and villages of the state of Michigan, shall be liberally construed to effect the purposes hereof.

History: 1951, Act 266, Eff. Sept. 28, 1951

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