THE REVENUE BOND ACT OF 1933

Act 94 of 1933

AN ACT to authorize public corporations, or officers of certain public corporations, to purchase, acquire, construct, improve, enlarge, extend, or repair public improvements within or without their corporate limits, and to own, operate, and maintain the same; to authorize the creation, operation, and financing of certain delinquent tax systems; to authorize the condemnation of property for such public improvements; to provide for the imposition and collection of charges, fees, rentals, or rates for the services, facilities, and commodities furnished by such public improvements; to provide for the issuance of bonds or notes and refunding bonds or notes payable from the revenues of public improvements or from delinquent tax systems; to provide for a pledge by public corporations of their full faith and credit and the levy of taxes without limitation as to rate or amount to the extent necessary for the payment of the bonds or notes, or for advancing money from general funds for payment of bonds or notes; to provide for payment, retirement, and security of such bonds; to provide for the imposition of special assessment bonds for the purpose of refunding outstanding revenue bonds; to prescribe the powers and duties of the department of treasury and of the municipal finance commission or its successor agency relative to such bonds or notes and relative to private activity bonds issued by a state or local governmental entity; to provide for other matters in respect to such public improvements and bonds or notes and to validate action taken and bonds issued; and to prescribe penalties and provide remedies.

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History: 1933, Act 94, Imd. Eff. May 26, 1933 ;-- Am. 1935, Act 66, Imd. Eff. May 17, 1935 ;-- Am. 1946, 1st Ex. Sess., Act 23, Eff. June 7, 1946 ;-- Am. 1959, Act 78, Imd. Eff. June 29, 1959 ;-- Am. 1969, Act 87, Imd. Eff. July 24, 1969 ;-- Am. 1974, Act 27, Imd. Eff. Feb. 26, 1974 ;-- Am. 1983, Act 76, Imd. Eff. June 6, 1983 ;-- Am. 1987, Act 263, Imd. Eff. Dec. 28, 1987 ;-- Am. 1998, Act 196, Eff. Mar. 23, 1999 ;-- Am. 2016, Act 83, Imd. Eff. Apr. 12, 2016

The People of the State of Michigan enact:

141.101 Short title; revenue bond act of 1933.

Sec. 1.

This act shall be known and may be cited as "the revenue bond act of 1933."

History: 1933, Act 94, Imd. Eff. May 26, 1933 ;-- Am. 1935, Act 66, Imd. Eff. May 17, 1935 ;-- Am. 1939, Act 2, Imd. Eff. Feb. 15, 1939 ;-- Am. 1946, 1st Ex. Sess., Act 23, Eff. June 7, 1946 ;-- CL 1948, 141.101

141.102 Construction of act.

Sec. 2.

This act shall be construed as cumulative authority for the exercise of the powers herein granted and shall not be construed to repeal any existing laws with respect thereto, it being the purpose and intention of this act to create full and complete additional and alternate methods for the exercise of such powers. The powers conferred by this act shall not be affected or limited by any other statute or by any charter, except as otherwise herein provided. The

functions, powers and duties of the state commissioner of health in connection with any such public improvement shall remain unaffected by this act.

History: 1933, Act 94, Imd. Eff. May 26, 1933 ;-- Am. 1946, 1st Ex. Sess., Act 23, Eff. June 7, 1946 ;-- CL 1948, 141.102

141.103 Definitions.

Sec. 3.

As used in this act:

(a) "Public corporation" means a county, city, village, township, school district, port district, or metropolitan district of the state or a combination of these if authorized by law to act jointly; an authority created by or under an act of the legislature; or a municipal health facilities corporation or subsidiary municipal health facilities corporation incorporated as provided in the municipal health facilities corporations act, 1987 PA 230, MCL 331.1101 to 331.1507.

(b) "Public improvements" means only the following improvements: housing facilities; garbage disposal plants; rubbish disposal plants; incinerators; transportation systems, including plants, works, instrumentalities, and properties used or useful in connection with those systems; sewage disposal systems, including sanitary sewers, combined sanitary and storm sewers, plants, works, instrumentalities, and properties used or useful in connection with the collection, treatment, or disposal of sewage or industrial wastes; storm water systems, including storm sewers, plants, works, instrumentalities, and properties used or useful in connection with the collection, treatment, or disposal of storm water; water supply systems, including plants, works, instrumentalities, and properties used or useful in connection with obtaining a water supply, the treatment of water, or the distribution of water; utility systems for supplying light, heat, or power, including plants, works, instrumentalities, and properties used or useful in connection with those systems; approved cable television systems, approved cable communication systems, or telephone systems, including plants, works, instrumentalities, and properties used or useful in connection with those systems; automobile parking facilities, including within or as part of the facilities areas or buildings that may be rented or leased to private enterprises serving the public; yacht basins; harbors; docks; wharves; terminal facilities; elevated highways; bridges over, tunnels under, and ferries across bodies of water; community buildings; public wholesale markets for farm and food products; stadiums; convention halls; auditoriums; dormitories; hospitals and other health care facilities; buildings devoted to public use; museums; parks; recreational facilities; reforestation projects; aeronautical facilities; and marine railways; or any right or interest in or equipment for these improvements. The term "public improvement" means the whole or a part of any of these improvements or of any combination of these improvements or any interest or participation in these improvements, as determined by the governing body. The definition contained in this subdivision does not broaden or enlarge the extent of a particular public improvement made by a public corporation.

(c) "Borrower" means a public corporation exercising the power to issue bonds as provided in this act or a county treasurer exercising the power to issue notes as provided in this act.

(d) "Governing body" means for a county, the board of commissioners; for a city, the body having legislative powers; for a village, the body having legislative powers; for a township, the township board; for a school district, the board of education; for a port district, the port commission; for a metropolitan district, the legislative body of the district; for a municipal health facilities corporation, the board of trustees; for a nonprofit subsidiary municipal health

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facilities corporation, the nonprofit subsidiary board; and for an authority, the body in which is lodged general governing powers. If the charter of a public corporation or applicable law provides that a separate board has general management over a public improvement, "governing body" means, with respect to that public improvement, the separate board, subject to review by the legislative body of the public corporation as the charter or law may provide. Unless the charter or law specifically provides otherwise, the separate board shall adopt the bond authorizing ordinance, but shall not pledge full faith and credit.

(e) "Rates" means the charges, fees, rentals, and rates that may be fixed and imposed for the services, facilities, and commodities furnished by a public improvement.

(f) "Revenues" means the income derived from the rates charged for the services, facilities, and commodities furnished by a public improvement. Revenues include, to the extent provided in the authorizing ordinance, earnings on investment of funds of the public improvement and other revenues derived from or pledged to operation of the public improvement.

(g) "Net revenues" means the revenues of a public improvement remaining after deducting the reasonable expenses of administration, operation, and maintenance of the public improvement.

(h) "Project cost" or "costs" means the costs of purchasing, acquiring, constructing, improving, enlarging, extending, or repairing a public improvement, including any engineering, architectural, legal, accounting, financial, and other expenses incident to the public improvement. Project costs include interest on the bonds, and other obligations of the borrower issued to pay project costs, during the period of construction and until full revenues are developed. Project costs include a reserve or addition to a reserve for payment of principal and interest on the bonds and the amount required for operation and maintenance until sufficient revenues have developed.

(i) "Ordinance" means an ordinance, resolution, or other appropriate legislative enactment of the governing body of a public corporation.

(j) "Approved cable television system" or "approved cable communication system" means a cable television or communication system to which 1 of the following applies:

(i) A municipality acquires or establishes the system either before January 1, 1987 or before a system is established in that municipality by a private person.

(ii) A municipality acquires or establishes the system after a system is established in that municipality by a private person and after approval by a majority of the electors in the affected area of that municipality voting on the question of the sale of revenue bonds to finance the acquisition or establishment of the municipal system.

(k) "County treasurer" means an elected county treasurer or a county treasurer appointed under section 5 of 1923 PA 199, MCL 201.35, of a county.

(l) "Delinquent tax revenues" means the delinquent taxes, interest, penalties and fees, and chargebacks of uncollected delinquent taxes due or to become due to local units of government to be collected by a county treasurer as agent for the local unit of government in connection with a delinquent tax system and pledged to any borrowing by a county treasurer under section 7b. Delinquent tax revenues do not include fees, charges, and other amounts due and payable to the county treasurer under section 87c(3) of the general property tax act, 1893 PA 206, MCL 211.87c.

(m) "Delinquent tax system" means the delinquent tax revolving fund in any county created and designated under section 87b of the general property tax act, 1893 PA 206, MCL 211.87b, and continued under section 87f of the general property tax act, 1893 PA 206, MCL 211.87f.

(n) "Order" means the legislative enactment of a county treasurer's powers under this act.

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History: 1933, Act 94, Imd. Eff. May 26, 1933 ;-- Am. 1943, Act 219, Imd. Eff. Apr. 20, 1943 ;-- Am. 1946, 1st Ex. Sess., Act 23, Eff. June 7, 1946 ;-- Am. 1947, Act 204, Imd. Eff. June 13, 1947 ;-- CL 1948, 141.103 ;-- Am. 1949, Act 244, Eff. Sept. 23, 1949 ;-- Am. 1952, Act 152, Imd. Eff. Apr. 24, 1952 ;-- Am. 1954, Act 136, Eff. Aug. 13, 1954 ;-- Am. 1956, Act 134, Imd. Eff. Apr. 13, 1956 ;-- Am. 1966, Act 294, Imd. Eff. July 14, 1966 ;-- Am. 1968, Act 253, Imd. Eff. July 1, 1968 ;-- Am. 1978, Act 216, Imd. Eff. June 5, 1978 ;-- Am. 1986, Act 40, Imd. Eff. Mar. 17, 1986 ;-- Am. 1986, Act 246, Imd. Eff. Dec. 4, 1986 ;-- Am. 1987, Act 229, Imd. Eff. Dec. 28, 1987 ;-- Am. 1988, Act 501, Imd. Eff. Dec. 29, 1988 ;-- Am. 1992, Act 305, Imd. Eff. Dec. 21, 1992 ;-- Am. 2002, Act 465, Imd. Eff. June 21, 2002 ;-- Am. 2016, Act 83, Imd. Eff. Apr. 12, 2016

141.104 Municipal public improvements; limitations; bonds; acquiring utility for supplying light, heat or power; referendum; powers exercised.

Sec. 4.

Any public corporation is authorized to purchase, acquire, construct, improve, enlarge, extend or repair 1 or more public improvements and to own, operate and maintain the same, within or without its corporate limits, and to furnish the services, facilities and commodities of any such public improvement to users within or without its corporate limits. The exercise by any public corporation of such powers outside its corporate limits shall be subject to the legal rights of the political subdivision within which such powers are to be exercised and shall also be subject to any and all constitutional and statutory provisions relating thereto. The authority herein granted shall be further limited as follows:

(a) No public corporation shall establish warehouses for the purpose of storing or dispensing alcoholic beverages.

(b) School districts shall be limited to such public improvements as are within the scope of their powers under other statutory provisions.

(c) Port districts shall be limited to such public improvements as are within the scope of their powers under acts creating the same.

(e) No public corporation may acquire a utility for the supplying of light, heat or power unless such proposition shall have first received the affirmative vote of 3/5 of the electors of such public corporation voting thereon at a regular or special municipal election.

The powers in this act granted may be exercised notwithstanding that no bonds are issued hereunder.

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History: 1933, Act 94, Imd. Eff. May 26, 1933 ;-- Am. 1946, 1st Ex. Sess., Act 23, Eff. June 7, 1946 ;-- Am. 1947, Act 204, Imd. Eff. June 13, 1947 ;-- CL 1948, 141.104 ;-- Am. 1954, Act 136, Eff. Aug. 13, 1954 ;-- Am. 1966, Act 179, Imd. Eff. July 1, 1966

141.105 Estimate of cost and period of usefulness.

Sec. 5.

Whenever the governing body of any public corporation shall determine to purchase, acquire, construct, improve, enlarge, extend and/or repair any public improvement and to issue bonds under this act, it shall first cause an estimate to be made of the cost and the period of usefulness thereof, and the fact that such estimate has been made and the amount and period of time thereof shall appear in the ordinance authorizing and providing for the issuance of the bonds.

History: 1933, Act 94, Imd. Eff. May 26, 1933 ;-- Am. 1935, Act 66, Imd. Eff. May 17, 1935 ;-- Am. 1939, Act 2, Imd. Eff. Feb. 15, 1939 ;-- Am. 1946, 1st Ex. Sess., Act 23, Eff. June 7, 1946 ;-- CL 1948, 141.105 ;-- Am. 1949, Act 244, Eff. Sept. 23, 1949

141.106 Ordinances; adoption; purpose; approval or disapproval; veto; effective date; referendum; record; authentication; publication.

Sec. 6.

The governing body of a public corporation by the affirmative vote of a majority of its elected members, at the meeting at which it is introduced or any subsequent meeting, may adopt an ordinance relating to the exercise of the powers granted in this act and to other matters necessary or desirable to effectuate this act, to provide for the adequate operation of a public improvement established under this act, and to insure the security of bonds issued. The adoption shall be subject to applicable statutory or charter provisions in respect to the approval or disapproval of the chief executive or other officer of the public corporation and the adoption of the ordinance over his or her veto, except in case of the adoption of an ordinance under this act by the board of commissioners of a county, it shall not be necessary to submit the ordinance to the governor for approval. An ordinance adopted under this act shall become effective upon its adoption unless otherwise specified in the ordinance. It shall not be subject to a referendum vote of the electors of the public corporation except as provided in section 33. The ordinance shall be recorded in the minutes of the meeting of the governing body of the public corporation as soon as practicable after its passage. The record shall be authenticated by the signatures of the presiding officer and the clerk or other recording officer of the governing body. The ordinance shall be published once in a newspaper of general circulation within the boundaries of the public corporation. The publication of the ordinance as a part of the minutes of the meeting at which it was adopted, shall be considered a publication in conformity with this act. Except as otherwise provided in this act, this section shall constitute the sole requirements in respect to the adoption and publication of an ordinance and shall not be limited by a charter or statutory provisions.

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History: 1933, Act 94, Imd. Eff. May 26, 1933 ;-- Am. 1943, Act 219, Imd. Eff. Apr. 20, 1943 ;-- Am. 1946, 1st Ex. Sess., Act 23, Eff. June 7, 1946 ;-- CL 1948, 141.106 ;-- Am. 1978, Act 216, Imd. Eff. June 5, 1978

141.107 Bonds; issuance; form; term; interest; exclusion from net bonded indebtedness; registration; pledge of funds; statutory first lien.

Sec. 7.

(1) For the purpose of defraying the whole or a part of project costs, a public corporation may borrow money and issue its negotiable bonds. The bonds shall not be issued unless and until authorized by an ordinance, which shall set forth a brief description of the contemplated project, the estimated cost of the project, and the amount, maximum rate of interest, and time of payment of the bonds. The bonds shall be serial bonds or term bonds, or a combination of serial and term bonds, and shall be payable semiannually or annually by maturity of serial bonds or maturity or required redemption of term bonds. The last annual principal installment shall be not longer than the estimated period of usefulness of the public improvement for which the bond is issued, but the last installment shall not be more than 40 years from the date of the bond. The bonds shall bear interest, payable as provided in the authorizing ordinance, except that the first interest installment shall be payable not later than 10 months following the

delivery date of the bonds. The bonds and coupons shall be substantially in the form provided in the authorizing ordinance and shall be executed in the manner prescribed in the bond, which may be by facsimile signature or signatures. The bonds and the interest on the bonds shall be made payable in lawful money of the United States, and shall be exempt from taxation by this state or by any taxing authority within this state. The public corporation may provide that the redemption of term bonds may be satisfied in whole or in part by the purchase and cancellation of term bonds otherwise required to be redeemed. As used in this subsection, "annual principal installment" means a maturity of serial bonds, an amount of term bonds required to be redeemed in that year, or a maturity of term bonds less amounts previously required to be redeemed.

(2) The principal of and interest on the bonds shall be payable, except as provided in this act, solely from the net revenues derived from the operation of the public improvement purchased, acquired, constructed, improved, enlarged, extended, or repaired from the proceeds of the bonds, as shall be pledged to the bonds in the authorizing ordinance, which may include if the ordinance so provides, net revenues derived by reason of future improvements, enlargements, extensions, or repairs to the improvement, and payments made to the public corporation issuing the bonds by any other governmental entity pursuant to another law of this state or the United States for payment of principal and interest on the bonds, even though the payments are made from or include grants or other funds provided by this state or the United States or the proceeds of taxes levied on taxable property as provided by other law.

(3) As additional security for the payment of bonds that are used to finance the local share of projects that receive more than 25% of financing from federal or state grants or that are being initially purchased, in whole or in part, by the Michigan municipal bond authority created under the shared credit rating act, 1985 PA 227, MCL 141.1051 to 141.1076, or if specifically authorized by another law pertaining to the public improvements for which bonds are to be issued under this act, a public corporation, by majority vote of the elected members of its governing body, may include as a part of the ordinance authorizing the issuance of the bonds a pledge of its full faith and credit for payment of the principal of an interest on the bonds. For bonds issued for airports or airport improvements under the aeronautics code of the state of Michigan, 1945 PA 327, MCL 259.1 to 259.208, a public corporation, by majority vote of the elected members of its governing body, may agree that if funds pledged for payment of bonds are not sufficient to pay principal and interest on the bonds as the bonds become due, the public corporation shall advance sufficient funds out of its general funds for the payment if the proceeds of the bonds are used exclusively within the territorial limits of the county in which the political corporation is located. If a pledge is made, and the net revenues primarily pledged to the payment are insufficient to make a payment, the public corporation shall be obligated to pay the bonds and interest on the bonds in the same manner and to the same extent as other general obligation bonds of the public corporation, including the levy, when necessary, of a tax on all taxable property in the public corporation without limitation as to rate or amount, in addition to all other taxes that the public corporation is authorized to levy, but not exceeding the rate or amount necessary to make the payment. If a public corporation makes payment from taxes or general funds pursuant to a full faith and credit pledge or agreement to advance, it shall be reimbursed from net revenues subsequently received by the public improvement for which the bonds are issued that are not otherwise pledged or encumbered. A bond or coupon issued under this act shall not be general obligation or constitute an indebtedness of the borrower unless its full faith and credit are pledged. Unless a public corporation pledges its full faith and credit for the payment of bonds issued pursuant to this act, or unless otherwise exempt, the amount of the bonds shall not be included in

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computing the net bonded indebtedness of the public corporation for the purposes of debt limitations imposed by any statutory or charter provisions. Bonds may be made registerable as to principal, or principal and interest, under terms and conditions determined by the governing body of the borrower.

(4) The governing body in the ordinance authorizing the bonds or in an agreement entered into under section 7a(1)(a) may pledge any funds established by the ordinance or agreement for the payment of the bonds or other obligations of the public corporation under the agreement and create a statutory first lien in favor of the holders of the bonds or a party subject to the agreement.

History: 1933, Act 94, Imd. Eff. May 26, 1933 ;-- Am. 1935, Act 66, Imd. Eff. May 17, 1935 ;-- Am. 1939, Act 2, Imd. Eff. Feb. 15, 1939 ;-- Am. 1946, 1st Ex. Sess., Act 23, Eff. June 7, 1946 ;-- Am. 1947, Act 204, Imd. Eff. June 13, 1947 ;-- CL 1948, 141.107 ;-- Am. 1949, Act 244, Eff. Sept. 23, 1949 ;-- Am. 1960, Act 24, Eff. Aug. 17, 1960 ;-- Am. 1969, Act 87, Imd. Eff. July 24, 1969 ;-- Am. 1973, Act 40, Imd. Eff. June 29, 1973 ;-- Am. 1974, Act 27, Imd. Eff. Feb. 26, 1974 ;-- Am. 1978, Act 216, Imd. Eff. June 5, 1978 ;-- Am. 1985, Act 26, Imd. Eff. May 31, 1985 ;-- Am. 2002, Act 465, Imd. Eff. June 21, 2002

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141.107a Powers of public corporation in determining to issue bonds; terms of payment; interest; sale or remarketing; tender of bonds by holders; determining aggregate authorized amount of bonds outstanding; remarketing or resale of tendered bonds or incurrence of obligation of public corporation; provisions of section construed.

Sec. 7a.

(1) A public corporation in determining to issue bonds, including refunding bonds, may do the following:

(a) As additional security to assure timely payment of the bonds, authorize and enter into an insurance contract, agreement for lines of credit, letter of credit, commitment to purchase obligations, remarketing agreement, reimbursement agreement, tender agreement, and any other transaction to provide security to assure timely payment of any bond, and may pledge and create a statutory lien on 1 or more of the following for timely payment of the bonds or payment of any obligations of the public corporation under any of the foregoing:

(i) Proceeds of additional security provided to assure timely payment of the bonds.

(ii) Proceeds of bonds.

(iii) Earnings on proceeds of bonds or other funds held for payment of bonds.

(iv) Revenues.

(b) If the bonds are additionally secured as provided in subsection (1)(a), authorize, from the proceeds of the bonds or other available funds, payment of the cost of issuing the bonds, which may include, but is not limited to, fees for placement, fees or charges for insurance, letters of credit, lines of credit, remarketing agreements, reimbursement agreements, tender agreements, or purchase or sales agreements or commitments, or other agreements to provide security to assure timely payment of bonds.

(c) Authorize or provide for an officer of the public corporation, but only within limitations which shall be contained in the ordinance of the governing body authorizing the bonds, to do 1 or more of the following:

(i) Sell and deliver and receive payment for bonds.

(ii) Refund bonds by the delivery of new bonds, whether or not the bonds to be refunded have matured or are subject to redemption prior to maturity on the date of delivery of the refunding bonds.

(iii) Buy and hold without cancellation or sell bonds so issued.

(iv) Deliver bonds partly to refund bonds and partly for any other authorized purpose.

(v) Approve interest rates or methods for fixing interest rates, prices, discounts, maturities, principal amounts, denominations, dates of issuance, interest payment dates, optional or mandatory redemption or tender rights, obligations to be exercised by the public corporation or the holder of the bond, the place of delivery and payment, and other matters and procedures necessary to complete the transactions authorized.

(2) If the bonds are additionally secured as provided in subsection (1)(a) and notwithstanding other provisions of this act, the bonds, including an obligation of the public corporation to a provider of additional security under subsection (1)(a) relating to that additional security, may be made payable on demand or prior to maturity at the option of the public corporation or the holder, or made subject to a tender, right, or obligation, at the time and in the manner determined by the governing body in the ordinance authorizing the bonds. If payable on demand or prior to maturity at the option of the public corporation or the holder, or if subject to a tender, right, or obligation, the bonds, including an obligation of the public corporation to a provider of additional security under subsection (1)(a) relating to that additional security, may bear no rate of interest or bear interest at a rate or rates which may be variable and which shall not be subject to the limitations provided in section 12, may be in a form with or without interest coupons, and may be sold at discount which shall not be subject to the limitation on discount provided in section 12 all as provided by the governing body in the ordinance authorizing the bonds.

(3) Bonds which are additionally secured under subsection (1)(a), and which are tendered by the holder or considered tendered as provided in this subsection to the public corporation, to the trustee appointed pursuant to section 38, or to any other entity appointed pursuant to an agreement authorized by subsection (1)(a), shall not be redeemed by an optional or mandatory tender, but may be sold or remarketed by the public corporation, by the trustee appointed pursuant to section 38, or by any other entity appointed pursuant to an agreement authorized by subsection (1)(a) without the sale or remarketing being a reissuance or refunding. If so provided by the governing body in the ordinance authorizing the bonds, bonds which are additionally secured under the provisions of subsection (1)(a) may contain provisions under which the holders of the bonds may be considered to have tendered the bonds pursuant to the ordinance and the bonds. For purposes of determining the aggregate authorized amount of bonds outstanding, bonds which are considered tendered are no longer outstanding and may be replaced without redemption by bonds which may be sold or remarketed as provided in this subsection without the sale or remarketing being a reissuance or refunding.

(4) The remarketing or resale of tendered bonds or the incurrence of an obligation of the public corporation pursuant to an agreement providing additional security under subsection (1)(a) is not subject to referendum by the qualified electors of the public corporation pursuant to section 33 and may be sold or remarketed in the case of tendered bonds, or incurred in the case of an obligation pursuant to an agreement providing additional security under section 7a(1)(a), at public or private sale as determined by the governing body in the ordinance authorizing the bonds. The remarketing or resale of tendered bonds is not subject to the prior approval of the department of treasury as provided in this act if the original issue of bonds to which the tendered bonds or agreement relates was approved or excepted from approval by the department of treasury.

(5) The provisions of this section specify general authority under this act, may be exercised notwithstanding a charter provision to the contrary, and may be included in bonds issued before the effective date of this section which bonds are ratified and validated by this section.

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(6) The amendatory act which added this section shall not be construed to expand or diminish the authority of a public corporation to pledge its full faith and credit without a referendum of the qualified electors.

History: Add. 1985, Act 26, Imd. Eff. May 31, 1985

141.107b Delinquent tax revolving fund; continuation under MCL 211.87b; borrowing money and issuing revenue notes; order; delinquent tax revenue as security; segregated fund or account; requirements applicable to notes; limited tax full-faith and credit obligations of county; insufficient tax proceeds; pledge of county's general fund as security; conditions; other provisions; exemption from tax; payment; registration; powers of county treasurer; security under trust or escrow agreement; exemption from MCL 141.2101 to 141.2821.

Sec. 7b.

(1) A county treasurer in any county that has continued a delinquent tax revolving fund under section 87b of the general property tax act, 1893 PA 206, MCL 211.87b, and that has authorized the issuance of notes under this act pursuant to section 87f of the general property tax act, 1893 PA 206, MCL 211.87f, may by order of the county treasurer and without a vote of the electors borrow money and issue its revenue notes on behalf of itself and the local units of government secured by delinquent tax revenues from the county's delinquent tax revolving fund.

(2) In the order authorizing the borrowing and issuance of notes, the delinquent tax revenues from which the borrowing is to be repaid shall be pledged as security for the payment of the principal and interest on the notes. Money and other property held in the delinquent tax revolving fund, including collections on the delinquent tax revenues, shall be kept separate from and shall not be commingled with any other money in the custody of the county treasurer. The segregated fund or account shall be established as a part of the delinquent tax revolving fund and shall be accounted for separately on the books of the county treasurer.

(3) The proceeds of the notes shall be placed in and used as the whole or part of the delinquent tax revolving fund established under section 87b of the general property tax act, 1893 PA 206, MCL 211.87b, after the expenses of borrowing have been deducted.

(4) The notes issued pursuant to this section shall comply with all of the following:

(a) Be in an aggregate principal amount not exceeding the aggregate amount of all of the following:

(i) The delinquent tax revenues pledged, exclusive of interest.

(ii) At the option of the county treasurer, and to the extent authorized under section 87f of the general property tax act, 1893 PA 206, MCL 211.87f, a note reserve fund in an amount not to exceed 15% of each borrowing.

(iii) The cost of issuance.

(b) Bear interest not exceeding 14.5% per annum.

(c) Be in those denominations, and mature on the date not exceeding 6 years after their date of issue, as the county treasurer by order determines.

(d) May be issued at an original issue discount not to exceed 2% of the face value of the note issued.

(e) The order authorizing issuance of the notes may provide that all or part of the notes shall be subject to prepayment and, if subject to prepayment, shall provide the amount of call premium payable, if any, the number of days' notice of prepayment that shall be given, and

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whether the notice shall be written or published, or both. Otherwise, the notes shall not be subject to prepayment.

(f) The sale and award of notes shall be conducted and made by the county treasurer at a public or private sale. If a public sale is held, the notes shall be advertised for sale once not less than 5 days before sale in a publication printed in the English language and circulated in this state that carries as a part of its regular service notices of the sales of municipal bonds and that has been designated in the resolution as a publication complying with these qualifications. The notice of sale shall be in the form designated by the county treasurer. The notes may be sold subject to the option of the county treasurer, and the county treasurer may withhold a part of the issue from delivery if, in his or her opinion, sufficient funds are available before delivery of the notes to make full delivery unnecessary to the purposes of the borrowing.

(5) If the county board of commissioners provides by resolution, the notes may also be limited tax full-faith and credit obligations of the county subject to the state constitution of 1963 as to the levying of any taxes not authorized by the voters or by law unless the county has held an election pursuant to section 87d of the general property tax act, 1893 PA 206, MCL 211.87d, if the county's voters have approved the proposition found in section 87d(1) of the general property tax act, 1893 PA 206, MCL 211.87d, permitting the county to pledge the county's unlimited taxing power for the purpose of providing money for the delinquent tax revolving fund. If the proceeds of the taxes pledged are not sufficient to pay the principal and interest of the notes when due, the county shall impose a general ad valorem tax without limitation as to rate or amount on all taxable property in the county to pay the principal and interest and may reimburse itself from delinquent taxes collected.

(6) If the county board of commissioners provides by resolution, the notes may be secured additionally by a pledge of the county's general fund and are subject to all the following:

(a) The notes shall be designated general obligation limited tax notes.

(b) The notes shall be the full faith and credit obligations of the county issuing them. If the proceeds of the taxes and interest and, when pledged, county property tax administration fees, or note reserve fund are not sufficient to pay the principal and interest, when due, the county shall pay the principal and interest from its general funds or any additional tax which may be levied within its constitutional and statutory debt limits, and the county may subsequently reimburse itself from delinquent taxes collected. The county's obligation to pay from its general funds shall be its first budget obligation and shall be provided for in the borrowing resolution in the following language:

"This note issue, in addition, shall be a general obligation of the county of _____, secured by its full faith and credit, which shall include this county's limited tax obligation, within applicable constitutional and statutory limits, and its general funds. The county budget shall provide that if the pledged delinquent taxes and any other pledged amounts are not collected in sufficient amounts to meet the payments of principal and interest due on these notes, the county, before paying any other budgeted amounts, will promptly advance from its general funds sufficient money to pay that principal and interest.".

(7) Notwithstanding any other provisions of this section, all the following apply:

(a) Interest on the notes may be payable at any time provided in the order, and may be set, reset, or calculated as provided in the order.

(b) Notes issued under this section may have 1 or more of the following attributes:

(i) Made the subject of a put or agreement to repurchase by the county treasurer.

(ii) Secured by a letter of credit issued by a bank under an agreement entered into by the county treasurer or by any other collateral that the county treasurer's order may authorize.

(iii) Callable as set forth in the order.

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(iv) Reissued by the county treasurer once reacquired by the county treasurer under any put or repurchase agreement.

(c) The county treasurer may by order do 1 or more of the following:

(i) Authorize the issuance of renewal notes.

(ii) Refund or refund in advance notes by the issuance of new notes, whether the notes to be refunded have or have not matured.

(iii) Issue notes partly to refund notes and partly for any other purposes authorized by this act.

(iv) Buy and sell any notes issued under this section.

(d) Renewal, refunding, or advance refunding notes shall comply with all of the following:

(i) Shall be sold and the proceeds applied to the purchase redemption or payment of the notes to be renewed or refunded.

(ii) Shall not be subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

(iii) May be sold or resold at a public or private sale.

(iv) May pledge the delinquent taxes pledged in the issue to be refunded in advance after the original issue is defeased by the advance refunding issue.

(e) Notes may be issued and secured by a second lien on delinquent tax revenues, interest, and property tax administration fees already the subject of a first lien because of the issuance of a prior note issue.

(f) Any notes issued may be secured in whole or in part under a trust or escrow agreement, which agreement may also govern the issuance of renewal notes, refunding notes, and advance refunding notes. The agreement may authorize the trustee or escrow agent to make investments of any type authorized in the agreement.

(8) The notes issued under this section and interest on the notes shall be payable in lawful money of the United States of America and shall be exempt from all taxation by this state or a taxing authority in this state.

(9) The notes issued under this section may be made payable at a bank or trust company, or may be made registrable as to principal or as to principal and interest under the terms and conditions specified in the authorizing resolution or by the county treasurer when awarding the notes.

(10) To the extent authorized under section 87f of the general property tax act, 1893 PA 206, MCL 211.87f, a county treasurer shall have all the powers granted by this act to a public corporation and shall exercise those powers by order. A copy of that order shall be maintained in the records of the county treasurer, and a second copy shall be filed with the county clerk on December 31 each year for all such orders issued that year.

(11) Notwithstanding 1966 PA 293, MCL 45.501 to 45.521, a county operating under a home rule charter shall not be restricted by the provisions of the home rule charter in connection with the powers granted to the county treasurer to issue notes by this section. The treasurer of a county described in this subsection, notwithstanding any charter provisions to the contrary, shall have all of the powers granted to county treasurers by this section.

(12) If the treasurer so authorizes in the order authorizing the notes, any notes issued may be secured in whole or in part under a trust or escrow agreement. That agreement may authorize the trustee or escrow agent to make investments of any type authorized in the agreement.

(13) Notes issued under this act are exempt from the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

History: Add. 2016, Act 83, Imd. Eff. Apr. 12, 2016

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141.108 Lien on revenue in favor of bondholders.

Sec. 8.

There shall be created in the authorizing ordinance a lien, by this act made a statutory lien, upon the net revenues pledged to the payment of the principal of and interest upon such bonds, to and in favor of the holders of such bonds and the interest coupons pertaining thereto, and each of such holders, which liens shall be a first lien upon such net revenues, except where there exists a prior lien or liens then such new lien shall be subject thereto.

History: 1933, Act 94, Imd. Eff. May 26, 1933 ;-- Am. 1935, Act 66, Imd. Eff. May 17, 1935 ;-- Am. 1939, Act 2, Imd. Eff. Feb. 15, 1939 ;-- Am. 1946, 1st Ex. Sess., Act 23, Eff. June 7, 1946 ;-- CL 1948, 141.108

141.109 Statutory lien on net revenues; duration; enforcement.

Sec. 9.

The net revenues which are pledged shall be and remain subject to the statutory lien until the payment in full of the principal of and interest upon the bonds unless the authorizing ordinance provides for earlier discharge of the lien by substitution of other security. The holder of the bonds, representing in the aggregate not less than 20% of the entire issue then outstanding, may protect and enforce the statutory lien and enforce and compel the performance of all duties of the officials of the borrower, including the fixing of sufficient rates, the collection of revenues, the proper segregation of revenues, and the proper application of the revenues. The statutory lien shall not be construed to give a holder or owner of a bond or coupon authority to compel the sale of the public improvement, the revenues of which are pledged to the improvement.

History: 1933, Act 94, Imd. Eff. May 26, 1933 ;-- Am. 1946, 1st Ex. Sess., Act 23, Eff. June 7, 1946 ;-- CL 1948, 141.109 ;-- Am. 1978, Act 216, Imd. Eff. June 5, 1978

141.110 Receiverships for public improvements.

Sec. 10.

If there be any default in the payment of the principal of or interest upon any of said bonds, any court having jurisdiction in any proper action may appoint a receiver to administer and operate on behalf of the borrower, under the direction of said court, any public improvement the revenues of which are pledged to the payment of such principal and interest; and by and with the approval of said court, to fix and charge rates and collect revenues sufficient to provide for the payment of any bonds or other obligations outstanding against the revenues of said public improvement and for the payment of the expenses of operating and maintaining the same and to apply the income and revenues of said public improvement in conformity with this act and the ordinance providing for the issuance of such bonds and in accordance with such orders as the court shall make.

History: 1933, Act 94, Imd. Eff. May 26, 1933 ;-- Am. 1946, 1st Ex. Sess., Act 23, Eff. June 7, 1946 ;-- CL 1948, 141.110

141.111 Bonds; application of other laws and charters.

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Sec. 11.

The bonds authorized hereunder shall not be subject to any limitations or provisions contained in the laws of the state of Michigan, pertaining to public corporations or in the charters of public corporations, as now in force or hereafter amended, other than as provided for in this act.

History: 1933, Act 94, Imd. Eff. May 26, 1933 ;-- Am. 1946, 1st Ex. Sess., Act 23, Eff. June 7, 1946 ;-- CL 1948, 141.111

141.112 Bonds; discount; sale price; interest; competitive or negotiated sale; notice; publication.

Sec. 12.

(1) Bonds issued under this act may be sold at a discount but may not be sold at a price that would make the interest cost on the money borrowed after deducting any premium or adding any discount exceed 10% per annum or the maximum rate permitted by the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821, whichever is greater, and may bear a stated rate of interest or no rate of interest.

(2) A public corporation may sell bonds at a competitive sale or a negotiated sale as determined in the authorizing ordinance. If a public corporation determines to sell a bond at a negotiated sale, the governing body shall expressly state the method and reasons for choosing a negotiated sale instead of a competitive sale in the resolution or ordinance authorizing the issuance or sale of the bonds.

(3) Bonds sold at a competitive sale shall not be sold until notice by publication at least 7 days before the sale in a publication printed in the English language and circulated in this state that carries as a part of its regular service notices of the sale of municipal bonds.

(4) A public corporation shall award a bond sold at a competitive sale to the bidder whose bid meets all specifications and requirements and results in the lowest interest cost to the public corporation, unless all bids are rejected.

(5) A public corporation may accept bids for the purchase of a bond made in person, by mail, by facsimile, by electronic means, or by any other means authorized by the public corporation.

History: 1933, Act 94, Imd. Eff. May 26, 1933 ;-- Am. 1941, Act 210, Imd. Eff. June 16, 1941 ;-- Am. 1943, Act 219, Imd. Eff. Apr. 20, 1943 ;-- Am. 1946, 1st Ex. Sess., Act 23, Eff. June 7, 1946 ;-- Am. 1947, Act 204, Imd. Eff. June 13, 1947 ;-- CL 1948, 141.112 ;-- Am. 1949, Act 244, Eff. Sept. 23, 1949 ;-- Am. 1968, Act 68, Imd. Eff. May 28, 1968 ;-- Am. 1973, Act 40, Imd. Eff. June 29, 1973 ;-- Am. 1974, Act 27, Imd. Eff. Feb. 26, 1974 ;-- Am. 1978, Act 216, Imd. Eff. June 5, 1978 ;-- Am. 1982, Act 485, Imd. Eff. Dec. 30, 1982 ;-- Am. 1983, Act 76, Imd. Eff. June 6, 1983 ;-- Am. 1985, Act 26, Imd. Eff. May 31, 1985 ;-- Am. 2002, Act 465, Imd. Eff. June 21, 2002

141.112a Bonds subject to revised municipal finance act.

Sec. 12a.

(1) Bonds issued under this act for which a municipality pledges its full faith and credit are also subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821, except for part VI and section 503 of the revised municipal finance act, 2001 PA 34, MCL 141.2601 to 141.2613, and MCL 141.2503.

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(2) For bonds issued under this act, the first principal amount maturity date or mandatory redemption date shall be not later than 5 years after the date of issuance and some principal amount shall mature or be subject to mandatory redemption in each subsequent year of the term of the bond.

(3) As used in this section, "municipality" means that term as defined in the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

(4) Except as otherwise provided in this act, bonds subject to this act are not subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

History: Add. 2002, Act 465, Imd. Eff. June 21, 2002

141.112b Bulletins; issuance by department of treasury.

Sec. 12b.

The department of treasury is authorized to issue bulletins as necessary to carry out the purposes of this act. A bulletin issued under this section shall include a statement of the department's specific statutory authority for any substantive requirement contained within the bulletin.

History: Add. 2002, Act 465, Imd. Eff. June 21, 2002

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141.113 Bonds; statement on face of bond or on face of interest coupon.

Sec. 13.

(1) There shall be plainly stated on the face of each bond: that it is issued under this act; that it is a self-liquidating bond and is not a general obligation of the borrower, unless the full faith and credit of the issuer are pledged; that it does not constitute an indebtedness of the borrower within any constitutional, statutory, or charter limitation; that the principal of the bond and the interest on the bond are payable solely from revenues, which shall be identified by reference to the public improvement, or part of the public improvement, from which the revenues are to be derived; and that the payment of the principal and interest are secured by a statutory lien on the revenues, the priority of which lien shall be stated.

(2) Unless the full faith and credit of the borrower are pledged, there shall be plainly stated on the face of each interest coupon language substantially as follows: This coupon is not a general obligation of the borrower and is payable solely from certain revenues as set forth in the bond to which this coupon pertains.

History: 1933, Act 94, Imd. Eff. May 26, 1933 ;-- Am. 1946, 1st Ex. Sess., Act 23, Eff. June 7, 1946 ;-- CL 1948, 141.113 ;-- Am. 1969, Act 87, Imd. Eff. July 24, 1969 ;-- Am. 1974, Act 27, Imd. Eff. Feb. 26, 1974 ;-- Am. 1978, Act 216, Imd. Eff. June 5, 1978

141.114 Bonds; qualities of negotiable instruments.

Sec. 14.

The bonds shall have all the qualities of negotiable instruments as provided for in the uniform commercial code, 1962 PA 174, MCL 440.1101 to 440.11102.

History: 1933, Act 94, Imd. Eff. May 26, 1933 ;-- CL 1948, 141.114 ;-- Am. 1978, Act 216, Imd. Eff. June 5, 1978 ;-- Am. 2000, Act 350, Eff. Mar. 28, 2001

141.115 Bonds; deposit and investment of sale proceeds.

Sec. 15.

The governing body shall require that the proceeds of the sale of bonds issued under this act be deposited in an account or accounts separate from other money of the borrower in 1 or more banks, savings and loan associations, or credit unions, each having unimpaired capital and surplus amounting to at least $2,000,000.00 or that are insured by the federal deposit insurance corporation, the federal savings and loan insurance corporation, or the national credit union share insurance fund. However, the proceeds may be invested, in whole or in part, in the manner provided in section 24 for other funds, if the investment is authorized in the ordinance or approved by the department of treasury.

History: 1933, Act 94, Imd. Eff. May 26, 1933 ;-- Am. 1946, 1st Ex. Sess., Act 23, Eff. June 7, 1946 ;-- Am. 1947, Act 204, Imd. Eff. June 13, 1947 ;-- CL 1948, 141.115 ;-- Am. 1951, Act 63, Eff. Sept. 28, 1951 ;-- Am. 1983, Act 76, Imd. Eff. June 6, 1983 ;-- Am. 1988, Act 228, Eff. Oct. 1, 1988

141.116 Bonds; use of sale proceeds; cancellation of bonds acquired by purchase; payment of capitalized interest.

Sec. 16.

Money received from the sale of bonds shall be used solely for the payment of project costs. An unexpended balance of the proceeds of the sale of any bonds remaining after the completion of the project for which issued, may be used for the improvement, enlargement, or extension of the public improvement, if the use is approved by the department of treasury. Any remaining balance shall be paid immediately into the bond and interest redemption deposit account for the bonds, and the money shall be used only for meeting bond reserve requirements or for the redemption or purchase, at not more than the fair market value, of outstanding bonds of the issue from which the proceeds were derived. Bonds acquired by purchase shall be canceled and shall not be reissued. Each ordinance shall state the period for which interest is to be capitalized, and the amount of reserves to be funded from the bonds. Upon receipt of the proceeds of the bonds, there shall be set aside, in the bond and interest redemption deposit account, the amount of interest that will accrue during the period at the interest rate specified in the bonds and the amount required to be set aside in the bond and interest redemption account. Money set aside shall be used solely for the payment of the capitalized interest or to satisfy bond reserve requirements.

History: 1933, Act 94, Imd. Eff. May 26, 1933 ;-- Am. 1946, 1st Ex. Sess., Act 23, Eff. June 7, 1946 ;-- Am. 1947, Act 204, Imd. Eff. June 13, 1947 ;-- CL 1948, 141.116 ;-- Am. 1978, Act 216, Imd. Eff. June 5, 1978 ;-- Am. 1983, Act 76, Imd. Eff. June 6, 1983 ;-- Am. 2002, Act 465, Imd. Eff. June 21, 2002

141.117 Bonds; validity of signatures.

Sec. 17.

In case any of the officers whose signatures or counter-signatures appear on the bonds or coupons shall cease to be such officers before delivery of such bonds, such signatures or counter-signatures shall nevertheless be valid and sufficient for all purposes the same as if they had remained in office until such delivery.

History: 1933, Act 94, Imd. Eff. May 26, 1933 ;-- CL 1948, 141.117

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141.118 Charges for services; providing medical care without charge or at reduced rates; free service to land bank fast track authority.

Sec. 18.

(1) Except as provided in subsection (2) or (3), free service shall not be furnished by a public improvement to a person, firm, or corporation, public or private, or to a public agency or instrumentality. The reasonable cost and value of any service rendered to a public corporation, including the borrower, by a public improvement must be charged against the public corporation and must be paid for as the service accrues from the public corporation's current funds or from the proceeds of taxes, which the public corporation, within constitutional limitations, is hereby authorized and required to levy in an amount sufficient for that purpose, or both, and those charges, when so paid, shall be accounted for in the same manner as other revenues of the public improvement.

(2) A public improvement that is a hospital or other health care facility may provide medical care to the indigent without charge or at reduced rates and may provide medical care without charge to comply with conditions for the receipt of a grant or contribution from a public or private donor.

(3) A public improvement may provide a free service to a land bank fast track authority created under the land bank fast track act, 2003 PA 258, MCL 124.751 to 124.774.

History: 1933, Act 94, Imd. Eff. May 26, 1933 ;-- Am. 1946, 1st Ex. Sess., Act 23, Eff. June 7, 1946 ;-- CL 1948, 141.118 ;-- Am. 1974, Act 27, Imd. Eff. Feb. 26, 1974 ;-- Am. 1987, Act 229, Imd. Eff. Dec. 28, 1987 ;-- Am. 2024, Act 205, Eff. Apr. 2, 2025

141.119 Additional bonds.

Sec. 19.

(1) A borrower issuing bonds for any public improvement pursuant to this act, at the time of the authorization of the bonds, may provide in the authorizing ordinance for the issuance of additional bonds of equal standing for its completion in the event the bonds first authorized shall prove to be insufficient therefor, or for its subsequent enlargement, extension, improvement, or repair, or to refund part or all of 1 or more outstanding issues, or for any of these purposes, which additional bonds may be issued and be negotiated from time to time as the proceeds therefrom may be necessary for that purpose. The bonds, when sold, shall have equal standing with those issued in the first instance. The additional bonds may be issued in separate series from the original bonds, with different dates of issuance, and with changes in the form thereof which are consistent with that equality of standing.

(2) The provisions of section 7 providing for annual installments, the amounts of the installments, and the due date of the first installment shall not be controlling as to each additional series whether the additional series is of equal or subordinate standing. Instead, section 7 shall be applied to the combined annual principal installments and interest at actual rates on outstanding bonds and at the maximum authorized rate on the additional series. Additional bonds of equal standing shall not be issued unless authorized as provided in this section.

History: 1933, Act 94, Imd. Eff. May 26, 1933 ;-- Am. 1943, Act 219, Imd. Eff. Apr. 20, 1943 ;-- Am. 1946, 1st Ex. Sess., Act 23, Eff. June 7, 1946 ;-- Am. 1947, Act 204, Imd. Eff. June 13, 1947 ;-- CL 1948, 141.119 ;-- Am. 1969, Act 87, Imd. Eff. July 24, 1969 ;-- Am. 1974, Act 27, Imd. Eff. Feb. 26, 1974 ;-- Am. 1978, Act 216, Imd. Eff. June 5, 1978

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141.120 Revenue refunding bonds.

Sec. 20.

(1) If a borrower has outstanding any bonds issued under this act, it may issue and negotiate new bonds under this act for the purpose of providing for the retirement of those outstanding bonds, in whole or in part. The new bonds shall be designated "revenue refunding bonds". Except as otherwise provided in the refunding ordinance, revenue refunding bonds shall be secured to the same extent and shall have the same source of payment as the bonds to be refunded, or may be payable from earnings on investments held in trust to pay refunded bonds for the period of time specified in the ordinance authorizing the bonds or from any other source provided in the ordinance authorizing the refunding bonds. The revenue refunding bonds may be issued to include the amount of any premium to be paid upon the calling of the bonds to be refunded, interest to the maturity or the earliest or any subsequent redemption date of the bonds to be refunded, and the cost of issuing the refunding bonds, or if the bonds are not callable, any premium necessary to be paid in order to secure the surrender of the bonds to be refunded. This section shall not be construed as providing for the redemption of noncallable unmatured bonds without the consent of the holder or holders of the bonds.

(2) The borrower may issue bonds partly to refund outstanding bonds, which portion shall be considered a revenue refunding bond for purposes of this section, and partly for any other purpose contemplated by this act but which would not include loans for private mortgage purposes.

(3) Bonds issued to refund outstanding bonds and bonds issued partly to refund outstanding bonds and partly for any other purposes may be issued in a principal amount and may bear an interest rate that is greater than, the same as, or lower than the principal amount and interest rate of the bonds to be refunded. The refunding bonds and the bonds issued pursuant to subsection (2) may be sold as provided in section 12 or, to the extent the bond is issued to refund an outstanding bond, may be exchanged for the obligations to be refunded by the obligations, and if sold, the proceeds attributable to the purpose of refunding an outstanding obligation shall be deposited in a bank, trust company, savings and loan association, or credit union in a special trust account or escrow account to be used only for the payment at maturity or redemption or purchase of the outstanding bonds. If refunding bonds or bonds issued pursuant to subsection (2) are to be issued and sold for the sole or partial purpose of refunding unmatured noncallable bonds, the latter shall be surrendered and canceled at the time of the delivery to the purchaser of the refunding bonds, or the proceeds of the bonds attributable to the purpose of refunding an outstanding obligation and sufficient other funds shall be deposited in trust to pay principal and interest to maturity or principal, interest, and redemption premium to the earliest or any subsequent redemption date together with irrevocable instructions to the paying agent to call the bonds for redemption on that date. The borrower may deposit in trust direct obligations of, or obligations the principal and interest of which are unconditionally guaranteed by, the United States that do not permit redemption at the option of the issuer and the principal and interest on which when due, without reinvestment, provide funds sufficient to pay principal, interest, and call premium, when due, on the bonds being refunded.

History: 1933, Act 94, Imd. Eff. May 26, 1933 ;-- Am. 1941, Act 210, Imd. Eff. June 16, 1941 ;-- Am. 1943, Act 219, Imd. Eff. Apr. 20, 1943 ;-- Am. 1946, 1st Ex. Sess., Act 23, Eff. June 7, 1946 ;-- Am. 1947, Act 204, Imd. Eff. June 13, 1947 ;-- CL 1948, 141.120 ;-- Am. 1978, Act 216, Imd. Eff. June 5, 1978 ;-- Am. 1983, Act 76, Imd. Eff. June 6, 1983 ;-- Am. 1988, Act 228, Eff. Oct. 1, 1988

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141.120a Combined public improvements; bonds; revenues pledged; retirement.

Sec. 20a.

Any public corporation may determine to operate 2 or more public improvements as a combined public improvement and in such case it may pledge the revenues of such combined public improvement to the payment of revenue bonds issued to defray the cost of purchasing, acquiring, constructing, improving, enlarging, extending and/or repairing the whole or any part of such combined public improvement. Whenever any public corporation shall determine to issue any bonds under this act and pledge thereto the revenues of a public improvement or a combined public improvement, if there shall be outstanding bonds pledging the revenues of such public improvement or any unit or units of such combined public improvement, then such new bonds may be issued subject to such prior pledge, or may include an amount sufficient to retire such outstanding bonds, and to the extent that they are issued for such retirement, they shall be subject to the provisions of section 20 of this act, except that in lieu of being designated as refunding bonds, such new bonds shall recite the extent to which they refund outstanding obligations.

History: Add. 1943, Act 219, Imd. Eff. Apr. 20, 1943 ;-- Am. 1946, 1st Ex. Sess., Act 23, Eff. June 7, 1946 ;-- CL 1948, 141.120a

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141.120b Issuance of revenue bonds to retire outstanding bonds for public improvements; revenue refunding bonds; noncallable unmatured bonds.

Sec. 20b.

If a township, city, or village has outstanding bonds issued for acquiring or constructing public improvements, whether the bonds are payable from revenues, special assessments, or taxes, it may issue revenue bonds under this act for the purpose of retiring the outstanding bonds. If a city or village has issued refunding bonds, including in a single series, or bonds for 1 or more of the public improvements together with bonds for other purposes, the governing body may designate by number and amount the refunding bonds of the series that represent the original bonds issued for the public improvements and may refund the bonds designated by the issuance of revenue refunding bonds under this act. The revenue refunding bonds shall be valid notwithstanding a defect in the proceedings for the issuance of the bonds refunded or for the acquisition of the public improvement if, at the time of refunding, the public improvement can be acquired and revenue bonds can be issued for the improvement under this act. If this act applies to the issuance, the new bonds shall be authorized in the same manner, shall be subject to the same conditions, shall be secured to the same extent, and shall have the same source of payment as other bonds issued under this act for like improvements. The bonds may include the costs of issuing the bonds and the amount of the premium to be paid on the calling of the outstanding bonds, or if the bonds are not callable, the premium necessary to be paid to secure the surrender of the bonds. If revenue refunding bonds are to be issued, the amount due upon a bond to be refunded may be reduced by consent of the holder of the bond, and refunding bonds may be issued for the reduced amount. This section shall not be construed as providing for the redemption of noncallable unmatured bonds without the consent of the holder of the bond. The bonds may be exchanged for the outstanding bonds or may be sold as provided in section 12. If sold, the proceeds shall be deposited in a bank, trust company, savings and loan association, or credit union in a special trust account or escrow account to be used only for the redemption or purchase of the outstanding bonds. If refunding bonds are to be issued and sold

for the purpose of refunding noncallable unmatured bonds, the noncallable unmatured bonds shall be surrendered and canceled at the time of the delivery to the purchaser of the refunding bonds, or sufficient funds deposited in trust to pay principal and interest to maturity on noncallable bonds and principal, interest, and redemption premium to the earliest redemption date on callable bonds together with irrevocable instructions to the paying agent to call the bonds for redemption on that date. If the ordinance authorizing the bonds to be refunded permits, the borrower may deposit in trust direct obligations of, or obligations the principal and interest of which are unconditionally guaranteed by, the United States that do not permit redemption at the option of the issuer and the principal and interest on which when due, without reinvestment, provide funds sufficient to pay principal, interest, and call premium, when due, on the bonds being refunded.

History: Add. 1943, Act 219, Imd. Eff. Apr. 20, 1943 ;-- Am. 1946, 1st Ex. Sess., Act 23, Eff. June 7, 1946 ;-- CL 1948, 141.120b ;-- Am. 1978, Act 216, Imd. Eff. June 5, 1978 ;-- Am. 1988, Act 228, Eff. Oct. 1, 1988

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141.120c Parking revenue bonds; special assessments on benefited properties.

Sec. 20c.

When a borrower has outstanding any parking revenue bonds issued under the provisions of this act, it may thereafter levy special assessments against properties specially benefited by the parking facilities originally financed by the bonds, but no assessment shall be made at large, and may issue special assessment bonds therefor in anticipation of the payment of the special assessments for the purpose of providing for the retirement of the outstanding bonds in whole or in part. The special assessment bonds may pledge the full faith and credit of the public corporation issuing them, as determined by the governing body of the public corporation. The special assessment bonds may be issued to include the amount of any premium to be paid upon the calling of the parking revenue 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; but the amount of the premium so included shall not exceed 5% of the principal amount of the bonds to be refunded. The procedures for levying the special assessments and for issuing the special assessment bonds shall be the same as that provided by charter or other applicable law. Nothing in this section shall be construed as providing for the refunding of noncallable unmatured bonds without the consent of the holders thereof.

History: Add. 1959, Act 78, Imd. Eff. June 29, 1959

141.121 Rates for services; sufficiency; fixing and revising; pledge for payment of bonds; charges for services as lien on premises; certification of delinquent charges; notice of tenants' responsibility for payment of charges; cash deposit; discontinuance of service to enforce payment of charges; validation of enforcement methods included in ordinance.

Sec. 21.

(1) Rates for services furnished by a public improvement shall be fixed before the issuance of the bonds. The rates shall be sufficient to provide for all the following:

(a) The payment of the expenses of administration and operation and the expenses for the maintenance of the public improvement as may be necessary to preserve the public improvement in good repair and working order.

(b) The payment of the interest on and the principal of bonds payable from the public improvements when the bonds become due and payable.

(c) The creation of any reserve for the bonds as required in the ordinance.

(d) Other expenditures and funds for the public improvement as the ordinance may require.

(2) The rates shall be fixed and revised by the governing body of the borrower so as to produce the amount described in subsection (1). The borrower shall covenant and agree in the ordinance authorizing the issuance of the bonds and on the face of each bond to maintain at all times the rates for services furnished by the public improvement sufficient to provide for the amount described in subsection (1). Rates pledged for the payment of bonds that are fixed and established pursuant to a contract or lease shall not be subject to revision or change, except in the manner provided in the lease or contract.

(3) Charges for services furnished to a premises may be a lien on the premises, and those charges delinquent for 6 months or more may be certified annually to the proper tax assessing officer or agency who shall enter the lien on the next tax roll against the premises to which the services shall have been rendered, and the charges shall be collected and the lien shall be enforced in the same manner as provided for the collection of taxes assessed upon the roll and the enforcement of the lien for the taxes. The time and manner of certification and other details in respect to the collection of the charges and the enforcement of the lien shall be prescribed by the ordinance adopted by the governing body of the public corporation. However, in a case when a tenant is responsible for the payment of the charges and the governing body is so notified in writing, the notice to include a copy of the lease of the affected premises, if there is one, then the charges shall not become a lien against the premises after the date of the notice. In the event of filing of the notice, the public corporation shall render no further service to the premises until a cash deposit in a sum fixed in the ordinance authorizing the issuance of bonds under this act is made as security for the payment of the charges. In addition to any other lawful enforcement methods, the payment of charges for water service to any premises may be enforced by discontinuing the water service to the premises and the payment of charges for sewage disposal service or storm water disposal service to a premises may be enforced by discontinuing the water service, the sewage disposal service, or the storm water disposal service to the premises, or any combination of the services. The inclusion of these methods of enforcing the payment of charges in an ordinance adopted before February 26, 1974, is validated.

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History: 1933, Act 94, Imd. Eff. May 26, 1933 ;-- Am. 1941, Act 210, Imd. Eff. June 16, 1941 ;-- Am. 1946, 1st Ex. Sess., Act 23, Eff. June 7, 1946 ;-- Am. 1947, Act 204, Imd. Eff. June 13, 1947 ;-- CL 1948, 141.121 ;-- Am. 1974, Act 27, Imd. Eff. Feb. 26, 1974 ;-- Am. 1978, Act 216, Imd. Eff. June 5, 1978 ;-- Am. 1992, Act 305, Imd. Eff. Dec. 21, 1992

141.121a Issuance of notes; requirement that delinquent tax revenues be fixed and sufficient; statutory lien.

Sec. 21a.

(1) Delinquent tax revenues shall be fixed before the issuance of the notes and shall be sufficient to provide for all of the following:

(a) The payment of the interest on and the principal of notes payable from the delinquent tax revenues when the notes become due and payable.

(b) The creation of any reserve for the notes as required in the order authorizing the issuance of those notes.

(2) The county treasurer shall covenant and agree in the order authorizing the issuance of the notes and on the face of each note to collect at all times the amounts pledged to repay the notes which shall be sufficient to provide for the amounts described in subsection (1). The amounts pledged that are fixed and established pursuant to the order shall not be subject to revision or change.

(3) Notes issued and sold under this section shall be secured by a statutory lien on the delinquent taxes and, to the extent held in the delinquent tax revolving fund, on all other property and assets and any revenues derived from the delinquent taxes and other property or assets. The lien shall automatically attach without further action or authorization by the county treasurer. The lien on the delinquent taxes and all other property and assets and any revenues derived from the delinquent taxes and other property or assets that are held in the delinquent tax revolving fund shall be valid and binding from the time the notes are executed and delivered. The lien shall automatically attach and be effective, binding, and enforceable against the county, the county treasurer, its successors, transferees, and creditors, and all others asserting rights in the secured property, irrespective of whether those parties have notice of the lien and without the need for any physical delivery, recordation, filing, or further act. In addition, the amounts collected which are subject to the lien shall be held in trust for the owners of the notes authorized by this section. Any property eligible to be conveyed and properly conveyed to a land bank fast track authority as tax reverted property, as defined by section 3(q) of the land bank fast track act, 2003 PA 258, MCL 124.753, or to this state or a person, city, village, township, or county pursuant to section 78m or 78r of the general property tax act, 1893 PA 206, MCL 211.78m and 211.78r, shall be released from any lien created under this section.

History: Add. 2016, Act 83, Imd. Eff. Apr. 12, 2016

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141.122 Accounting of revenues; order of priority; disposition of surplus.

Sec. 22.

(1) In the authorizing ordinance the governing body of the borrower shall provide that the revenues of the public improvement be accounted for separately from the other funds and accounts of the borrower in the following order of recorded priority:

(a) After provision for the payment for the next succeeding period of all current expenses of administration and operation and the current expenses for that period for maintenance as may be necessary to preserve the public improvement in good repair and working order.

(b) There shall be next set aside a sum sufficient to provide for the payment of the principal of and the interest upon all bonds payable from those revenues, as and when the bonds become due and payable. This account shall be designated "bond and interest redemption account". In the event that the revenues of any operating year over and above those necessary for the operation and maintenance expenses shall be insufficient to pay the principal of and interest on the bonds maturing in any operating year, then an additional amount sufficient to pay the principal and interest shall be set aside out of the revenues of the next succeeding operating year, after provision for the expenses of operation and maintenance. In respect to the allocation and use of money in the bond and interest redemption account, due recognition shall be given as to priority rights, if any, between different issues or series of outstanding bonds. The public corporation may provide by ordinance that a reasonable excess amount shall be set aside in the bond and interest redemption account from time to time so as to produce and provide a reserve to meet any possible future deficiencies.

(c) Next there shall be set aside, in the manner and priority provided by the ordinance, the sum or sums necessary for the additional accounts as may be required.

(2) Revenues remaining, after satisfaction of subsection (1), at the end of any operating year shall be considered surplus and shall be disposed of by the governing body as provided in this act.

History: 1933, Act 94, Imd. Eff. May 26, 1933 ;-- Am. 1946, 1st Ex. Sess., Act 23, Eff. June 7, 1946 ;-- Am. 1947, Act 204, Imd. Eff. June 13, 1947 ;-- CL 1948, 141.122 ;-- Am. 2002, Act 465, Imd. Eff. June 21, 2002

141.122a Delinquent tax revenues; statutory lien; commingling; designation of note and interest redemption account; set aside of reasonable excess amount; reserve; transfer of surplus to county general fund.

Sec. 22a.

(1) In the authorizing order, the county treasurer shall also provide that the delinquent tax revenues of the delinquent tax system are all subject to a statutory lien and shall be kept separate from and shall not be commingled with any other money in the custody of the county treasurer. The delinquent tax revenues of the delinquent tax system shall be used to provide for the payment of the principal of and the interest upon all notes payable from those revenues, as and when the notes become due and payable. This account shall be designated note and interest redemption account and shall be subject to the statutory lien. In respect to the allocation and use of money in the note and interest redemption account, due recognition shall be given as to priority rights, if any, between different issues or series of outstanding notes. If authorized under a resolution adopted by the board of commissioners and, in a charter or unified county, the chief executive officer of the county in the manner authorized under the charter or by law, the county treasurer may provide by order that a reasonable excess amount shall be set aside in the note and interest redemption account from time to time so as to produce and provide a reserve to meet any possible future deficiencies, which reserve shall also be subject to the statutory lien.

(2) Revenues remaining, after satisfaction of subsection (1), at the end of any operating year shall be part of the surplus in the delinquent tax revolving fund which may be transferred to the county general fund as provided in section 87b(7) of the general property tax act, 1893 PA 206, MCL 211.87b.

History: Add. 2016, Act 83, Imd. Eff. Apr. 12, 2016

141.123 Appropriation and use of revenues for payment of operation and maintenance expenses; appropriation and use of moneys raised by tax levy.

Sec. 23.

The borrower may appropriate and use, and may covenant to appropriate and use, any part of its available income or revenues derived from any source other than from the operation of the public improvement in paying any expenses of operation or maintenance of the public improvement, but nothing in this act shall be construed to require the borrower to do so. Where the borrower is an authority incorporated under Act No. 31 of the Public Acts of the First Extra Session of 1948, as amended, being sections 123.951 to 123.965 of the Michigan Compiled Laws, any public corporation to which the public improvement or other property is leased by the authority may appropriate and use, and may covenant to appropriate and use, any

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part of its available income or revenues derived from any source other than from the operation of the public improvement or other property in paying any expenses of operation or maintenance of the public improvement or other property, but this act shall not be construed to require the public corporation to do so. The provisions of this act requiring the production, setting aside, and use of revenues for payment of operation and maintenance expenses shall be deemed to refer to such expenses, if any, which are in excess of any income or revenue appropriated and used as authorized in this section. Moneys raised by levy of taxes without limitation as to rate or amount in fulfillment of the pledge by a public corporation of its full faith and credit shall be appropriated only to the bond and interest redemption fund, and used only to pay principal of and interest on bonds.

History: 1933, Act 94, Imd. Eff. May 26, 1933 ;-- Am. 1946, 1st Ex. Sess., Act 23, Eff. June 7, 1946 ;-- CL 1948, 141.123 ;-- Am. 1974, Act 27, Imd. Eff. Feb. 26, 1974

141.124 Money in several accounts of public improvement; separate deposit account; investment.

Sec. 24.

(1) Money in the several accounts of the public improvement shall be deposited as designated by the governing body of the borrower. Money in the several accounts of the public improvement, except money in the bond and interest redemption account and money derived from the proceeds of sale of the bonds each of which shall be kept in a separate deposit account, may be kept in 1 deposit account. In that case the money in the combined deposit accounts shall be allocated on the books and records of the borrower to the various accounts in the manner provided in the authorizing ordinance. The governing body of the borrower may provide that the money in the several accounts of the public improvement may be kept in separate depository accounts. The money in the bond and interest redemption account shall be accounted for separately.

(2) Subject to the limitations and conditions provided in the authorizing ordinance, money in the several accounts of the public improvement may be invested in accordance with the public corporation's investment policy adopted by the legislative body or governing body of the public corporation under 1943 PA 20, MCL 129.91 to 129.96.

History: 1933, Act 94, Imd. Eff. May 26, 1933 ;-- Am. 1946, 1st Ex. Sess., Act 23, Eff. June 7, 1946 ;-- Am. 1947, Act 204, Imd. Eff. June 13, 1947 ;-- CL 1948, 141.124 ;-- Am. 1960, Act 91, Eff. Aug. 17, 1960 ;-- Am. 1963, Act 192, Eff. Sept. 6, 1963 ;-- Am. 1978, Act 216, Imd. Eff. June 5, 1978 ;-- Am. 1985, Act 26, Imd. Eff. May 31, 1985 ;-- Am. 1987, Act 263, Imd. Eff. Dec. 28, 1987 ;-- Am. 1988, Act 228, Eff. Oct. 1, 1988 ;-- Am. 2002, Act 465, Imd. Eff. June 21, 2002

141.124a Deposit accounts.

Sec. 24a.

Money in the several accounts of the delinquent tax system shall be deposited as designated by the county board of commissioners of the county. Money in the several accounts of the delinquent tax system, except money in the note and interest redemption account and money derived from the proceeds of sale of the notes each of which shall be kept in a separate deposit account, may be kept in 1 deposit account, provided, however, that only delinquent tax revenues of the delinquent tax systems shall be held in or credited to that deposit account and those funds and other property shall not be commingled with any other money of or in the

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custody of the county treasurer. In that case, the money in the combined deposit accounts shall be allocated on the books and records of the county treasurer to the various accounts in the manner provided in the authorizing order. The county treasurer of the county may provide that the money in the several accounts of the delinquent tax system be kept in separate depository accounts. The money in the note and interest redemption account shall be accounted for separately.

History: Add. 2016, Act 83, Imd. Eff. Apr. 12, 2016

141.125 Fixing dates of operating year for public improvement.

Sec. 25.

The ordinance authorizing the issuance of such bonds shall fix the dates of the beginning and ending of the operating year for such public improvement, subject to the right of the department of treasury to require that it correspond with the fiscal year of the borrower.

History: 1933, Act 94, Imd. Eff. May 26, 1933 ;-- Am. 1946, 1st Ex. Sess., Act 23, Eff. June 7, 1946 ;-- CL 1948, 141.125 ;-- Am. 1983, Act 76, Imd. Eff. June 6, 1983

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141.126 Receiving fund surplus; deposit.

Sec. 26.

Any money remaining in the accounts of the public improvement at the end of any operating year, which under the provisions of section 22 shall be considered surplus, may be transferred to other accounts of the public improvement or may be used for the purpose or purposes as the governing body may determine to be for the best interests of the borrower, unless some other disposition shall have been made in the ordinance authorizing the issuance of bonds under this act. In the event that money of the public improvement is insufficient to provide for the current expenses of the operation and maintenance account or the bond and interest redemption account, any money or securities in other accounts of the public improvement shall be transferred first to the operation and maintenance account and second to the bond and interest redemption account to the extent of any deficits in those accounts.

History: 1933, Act 94, Imd. Eff. May 26, 1933 ;-- Am. 1946, 1st Ex. Sess., Act 23, Eff. June 7, 1946 ;-- Am. 1947, Act 204, Imd. Eff. June 13, 1947 ;-- CL 1948, 141.126 ;-- Am. 2002, Act 465, Imd. Eff. June 21, 2002

141.127 Issuance of bonds by public corporation; applicable laws.

Sec. 27.

A public corporation issuing bonds under this act is subject to all of the following:

(a) If the public corporation issuing the bonds meets the requirements of qualified status under section 303(3) of the revised municipal finance act, 2001 PA 34, MCL 141.2303, the public corporation complies with section 319(1) of the revised municipal finance act, 2001 PA 34, MCL 141.2319.

(b) If the public corporation issuing the bonds does not meet the requirements of qualified status under section 303(3) of the revised municipal finance act, 2001 PA 34, MCL 141.2303, the public corporation meets the requirements of section 303(7) and (8) and section 319(2) of the revised municipal finance act, 2001 PA 34, MCL 141.2303 and 141.2319.

(c) Section 321 of the revised municipal finance act, 2001 PA 34, MCL 141.2321.

History: 1933, Act 94, Imd. Eff. May 26, 1933 ;-- Am. 1946, 1st Ex. Sess., Act 23, Eff. June 7, 1946 ;-- CL 1948, 141.127 ;-- Am. 1983, Act 76, Imd. Eff. June 6, 1983 ;-- Am. 1985, Act 26, Imd. Eff. May 31, 1985 ;-- Am. 2002, Act 465, Imd. Eff. June 21, 2002

141.128 Effect of approval permitting issuance of bonds.

Sec. 28.

Qualification or approval to issue obligations under the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821, that permits the issuance of bonds under this act shall not be considered an approval of the legality of issuing bonds under this act.

History: 1933, Act 94, Imd. Eff. May 26, 1933 ;-- Am. 1946, 1st Ex. Sess., Act 23, Eff. June 7, 1946 ;-- CL 1948, 141.128 ;-- Am. 1983, Act 76, Imd. Eff. June 6, 1983 ;-- Am. 2002, Act 465, Imd. Eff. June 21, 2002

141.129 Service rates not subject to supervision by state agency.

Sec. 29.

Rates charged for the services furnished by any public improvement purchased, acquired, constructed, improved, enlarged, extended and/or repaired under the provisions of this act shall not be subject to supervision or regulation by any state bureau, board, commission or other like instrumentality or agency thereof.

History: 1933, Act 94, Imd. Eff. May 26, 1933 ;-- Am. 1937, Act 246, Imd. Eff. July 21, 1937 ;-- Am. 1939, Act 34, Eff. Sept. 29, 1939 ;-- Am. 1946, 1st Ex. Sess., Act 23, Eff. June 7, 1946 ;-- CL 1948, 141.129

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141.130 Books of record and account; annual audit report.

Sec. 30.

(1) Any borrower issuing revenue bonds under this act shall install, maintain, and keep proper books of record and account, separate from other records and accounts of such borrower, in which full and correct entries shall be made of all dealings or transactions of or in relation to the properties, business, and affairs of the public improvement.

(2) Each public corporation shall file an audit report annually with the department of treasury within 6 months from the end of its fiscal year or as otherwise provided in the uniform budgeting and accounting act, 1968 PA 2, MCL 141.421 to 141.440a.

History: 1933, Act 94, Imd. Eff. May 26, 1933 ;-- Am. 1941, Act 210, Imd. Eff. June 16, 1941 ;-- Am. 1946, 1st Ex. Sess., Act 23, Eff. June 7, 1946 ;-- CL 1948, 141.130 ;-- Am. 1963, Act 192, Eff. Sept. 6, 1963 ;-- Am. 1983, Act 76, Imd. Eff. June 6, 1983 ;-- Am. 2002, Act 465, Imd. Eff. June 21, 2002

141.131 Redemption of bonds before maturity.

Sec. 31.

The governing body of the borrower authorizing bonds under this act may make provisions in the authorizing ordinance for the redemption before maturity of the bonds or a part of the bonds. In case of refunding, bonds of an issue less than all the outstanding bonds of the issue, shall not be called for redemption unless the borrower has on hand in its bond and interest redemption fund sufficient money to refund the bonds not otherwise appropriated or pledged,

in excess of the amount of interest and principal maturing within the next 12 months from the redemption date.

History: 1933, Act 94, Imd. Eff. May 26, 1933 ;-- Am. 1941, Act 210, Imd. Eff. June 16, 1941 ;-- Am. 1946, 1st Ex. Sess., Act 23, Eff. June 7, 1946 ;-- CL 1948, 141.131 ;-- Am. 1978, Act 216, Imd. Eff. June 5, 1978

141.132 Breach of contract not authorized; pledging of revenues; disconnection of lands not to affect liability under bond issue.

Sec. 32.

Nothing in this act shall be construed as authorizing any borrower to impair or commit a breach of the obligation of any valid lien or contract created or entered into by it, the intention hereof being to authorize the pledging, setting aside and segregation of gross revenues only where consistent with outstanding obligations of such borrower. The severance of any lands from the jurisdiction of the borrower subsequent to the issuance of bonds under this act, shall be subject to the obligations created by the issuance of such bonds.

History: 1933, Act 94, Imd. Eff. May 26, 1933 ;-- Am. 1941, Act 210, Imd. Eff. June 16, 1941 ;-- CL 1948, 141.132

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141.133 Issuance of bonds without submitting proposition to voters for approval; notice of intent to issue bonds; petition requesting referendum; special election; verification and rejection of signatures; determining number of registered electors.

Sec. 33.

Unless otherwise provided in this act, the powers conferred upon public corporations by this act shall be exercised by their respective governing bodies and this act shall be construed as authorizing the issuance of bonds under this act without submitting the proposition for the approval of the proposition to the voters of the borrowers. Except in the case of refunding bonds or bonds issued to comply with an order of a court or an order or permit requirement of a state or federal agency of competent jurisdiction to prevent or limit pollution of the environment, the governing body shall publish a notice of intent to issue bonds. If within 45 days after the publication of the notice a petition, signed by not less than 10% or 15,000 of the registered electors, whichever is less, residing within the limits of the borrower, is filed with the clerk, or other recording officer, of the borrower, requesting a referendum upon the question of the issuance of the bonds, then the bonds shall not be issued until approved by the vote of a majority of the electors of the borrower qualified to vote and voting on the bonds at a general or special election. The notice shall be directed to the electors of the borrower, and, if the borrower is an authority, to the electors of its constituent public corporations, and shall be published in a newspaper which has general circulation in the territory of the borrower, and shall state the maximum amount of bonds to be issued, the purpose of the bonds, source of payment, right of referendum on the bonds, and other information the governing body determines necessary to adequately inform the electors of the nature of the issue. A special election called for this purpose shall not be included in a statutory or charter limitation as to the number of special elections to be called within a period of time. Signatures on the petition shall be verified by a person under oath, as the actual signatures of the persons whose names are signed to the petition, and the clerk, or other recording officer, of the borrower shall have the same power to reject signatures and petitions as city clerks pursuant to section 25 of Act

No. 279 of the Public Acts of 1909, as amended, being section 117.25 of the Michigan Compiled Laws. The number of registered electors in any borrower shall be determined by the township or city registration books, or both, or if the borrower is a village, then by the village registration books. Section 5(g) of Act No. 279 of the Public Acts of 1909, as amended, being section 117.5 of the Michigan Compiled Laws, relative to notice of intention to issue bonds, shall not apply to the authorization of the issuance of bonds under this act.

History: 1933, Act 94, Imd. Eff. May 26, 1933 ;-- Am. 1941, Act 210, Imd. Eff. June 16, 1941 ;-- Am. 1946, 1st Ex. Sess., Act 23, Eff. June 7, 1946 ;-- Am. 1947, Act 204, Imd. Eff. June 13, 1947 ;-- CL 1948, 141.133 ;-- Am. 1969, Act 79, Imd. Eff. July 23, 1969 ;-- Am. 1974, Act 27, Imd. Eff. Feb. 26, 1974 ;-- Am. 1978, Act 216, Imd. Eff. June 5, 1978 ;-- Am. 1982, Act 188, Imd. Eff. June 21, 1982

141.133a Validation of bonds heretofore issued.

Sec. 33a.

All bonds heretofore issued under this act as originally adopted or subsequently amended are hereby validated. A public corporation shall not contest the validity of any such bonds after the bonds have been sold and delivered and the public corporation has received the consideration therefor.

History: Add. 1974, Act 27, Imd. Eff. Feb. 26, 1974

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141.133b Violation of MCL 168.1 to 168.992 applicable to petitions; penalties.

Sec. 33b.

A petition under section 33, including the circulation and signing of the petition, is subject to section 488 of the Michigan election law, 1954 PA 116, MCL 168.488. A person who violates a provision of the Michigan election law, 1954 PA 116, MCL 168.1 to 168.992, applicable to a petition described in this section is subject to the penalties prescribed for that violation in the Michigan election law, 1954 PA 116, MCL 168.1 to 168.992.

History: Add. 1998, Act 196, Eff. Mar. 23, 1999

141.134 Liberal construction of act.

Sec. 34.

This act, being necessary for and to secure the public health, safety, convenience and welfare of the counties, cities, incorporated villages, townships, school districts, port districts, and metropolitan districts of the state of Michigan, shall be liberally construed to effect the purposes hereof.

History: 1933, Act 94, Imd. Eff. May 26, 1933 ;-- CL 1948, 141.134

141.136 Immediate necessity.

Sec. 36.

This act, being necessary for and to secure the public health, safety, convenience and welfare of the counties, cities, incorporated villages, townships, school districts, port districts, and metropolitan districts of the state of Michigan, shall be given immediate effect.

History: 1933, Act 94, Imd. Eff. May 26, 1933 ;-- CL 1948, 141.136

141.137 Condemnation of property.

Sec. 37.

Public corporations shall have the right and power to condemn property for public improvements. In the condemnation of property, public corporations may proceed under any act applicable thereto, or they may invoke and proceed under the provisions of Act No. 149 of the Public Acts of 1911, as the same may from time to time exist, and in so doing shall have all the rights, powers and privileges granted to "public corporation" as defined in that act.

History: Add. 1946, 1st Ex. Sess., Act 23, Eff. June 7, 1946 ;-- CL 1948, 141.137
Compiler's Notes: For provisions of Act 149 of 1911, referred to in this section, see MCL 213.21 et seq.

141.138 Trustee; appointment; powers and duties; pledging of trust funds.

Sec. 38.

An ordinance authorizing the issuance of bonds under this act may provide for the appointment of a trustee with the powers and duties prescribed in the ordinance in respect to the bonds and the payment and security of the bonds including provision that funds, including the proceeds of bonds, which are trust funds under the ordinance, may be held in trust by the trustee for the primary benefit and payment of the holders of the bonds. These trust funds may also be pledged by the trustee pursuant to the ordinance to an entity providing additional security for the bonds pursuant to section 7a(1)(a).

History: Add. 1946, 1st Ex. Sess., Act 23, Eff. June 7, 1946 ;-- CL 1948, 141.138 ;-- Am. 1985, Act 26, Imd. Eff. May 31, 1985

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141.139 Water pollution; prevention or abatement; public corporation may accept grants or aid from U.S. government.

Sec. 39.

Any public corporation is hereby authorized to apply for and accept grants or any other aid which the United States government or any agency thereof has authorized or may hereafter authorize to be given or made to the several states of the United States or to any political subdivisions or agencies thereof within the states for the construction of public improvements, including all necessary action preliminary thereto, the purpose of which is to aid in the prevention or abatement of water pollution.

History: Add. 1949, Act 244, Eff. Sept. 23, 1949

***** 141.140 SUBSECTION (1) SHALL NOT APPLY AFTER DECEMBER 31, 1988: See (4) of 141.140 *****

141.140 Allocation system for private activity bonds; establishment; purpose; applicability; ratification of prior allocations; revocation of allocation; applicability of subsection (1).

Sec. 40.

(1) Until otherwise provided by law, the state treasurer may establish and maintain an allocation system for private activity bonds, which system shall be considered to provide, pursuant to the authority granted by section 146(e) of the internal revenue code, a different formula for allocating the state ceiling among governmental units of the state having the authority to issue bonds from the formula provided in the internal revenue code. The allocation system established by the state treasurer shall apply to allocations made against the unified volume limitation per calendar year 1988 and each year thereafter and for bonds issued after December 31, 1987, that have allocations ratified by subsection (2).

(2) An allocation made under executive orders 1984-11, 1985-7, 1986-6, and 1986-18 for bonds issued on or after January 1, 1988, shall be considered ratified and issued with an allocation authorized by this section unless the allocation issued pursuant to an executive order was a carryforward allocation for the state volume cap for any calendar year prior to 1986.

(3) An allocation made other than through orders issued pursuant to this section or executive orders 1984-11, 1985-7, 1986-6 and 1986-18 is revoked.

(4) Subsection (1) shall not apply after December 31, 1988.

History: Add. 1987, Act 263, Imd. Eff. Dec. 28, 1987

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