

**PUBLIC TRANSPORTATION AUTHORITY ACT (EXCERPT)**  
**Act 196 of 1986**

**124.470 Contract with public authority to make payments, appropriations, or contributions; pledge of full faith and credit; tax levy; execution of contract.**

Sec. 20.

(1) Any member of the public authority or a political subdivision may contract with the public authority to make payments, appropriations, or contributions to the public authority of the proceeds of taxes, special assessments, or charges imposed and collected by the political subdivision or out of any other funds legally available.

(2) Any member of the public authority or a political subdivision may pledge its full faith and credit for payment of its contractual obligation to the public authority.

(3) If the public authority has issued notes or bonds in anticipation of payments, appropriations, or contributions to be made to the public authority pursuant to contract by a member of the public authority or a political subdivision, the political subdivision may levy a tax, subject to all appropriate statutory and constitutional requirements, on all taxable property in the political subdivision to provide sufficient money to fulfill its contractual obligation to the public authority, which tax as to rate or amount will be as provided in section 6 of article IX of the state constitution of 1963.

(4) Any member or political subdivision desiring to enter into a contract under subsection (1) shall authorize by resolution of its governing body the execution of the contract.

(5) Any political subdivision that forms or becomes a member of the public authority under this act and, before the effective date of the formation or membership, has authorized the levy of a tax to provide money for public transportation purposes or has imposed or collected special assessments or charges for public transportation purposes may levy or impose and collect the tax or special assessment or charge and contract with the public authority to make payments, appropriations, or contributions to the public authority of the proceeds of the taxes, special assessments, or charges, subject to conditions of the original authorization.

**History:** 1986, Act 196, Imd. Eff. July 10, 1986