

THE DRAIN CODE OF 1956 (EXCERPT)
Act 40 of 1956

280.275 Drainage district bonds; issuance; terms; sale subject to revised municipal finance act; premium; limitation on payment from county general fund.

Sec. 275.

If bonds are issued, as provided in this act, the commissioner may borrow money in anticipation of the collection of the installments and may issue as evidence thereof the bonds of the drainage district. The obligations shall specify on their face that they are payable out of the installments of drain taxes to be collected, and the amount shall not exceed the aggregate of the installments levied. Bonds issued under this act shall be signed by the commissioner on behalf of the drainage district, shall be countersigned by the county clerk and shall be payable in annual installments equal in number to the installments of taxes, shall mature or be subject to mandatory redemption not earlier than March first and not later than June first of the year following the due dates of the respective installments of taxes. The number of installments shall not exceed 20. However, in any drainage district containing a closed drain, any part of whose cross-section has an area exceeding 60 square feet, the number of installments may be, but shall not exceed, 30, and the amount of each installment shall be established to correspond as near as may be to the drain commissioner's estimate of the amount of taxes actually collectible each year, and in no case shall bonds mature or be subject to mandatory redemption more than 2 1/2 years after the corresponding installment of taxes. The commissioner shall pledge in the bond the credit of the drainage district, including the lands embraced within the district and the townships, cities, villages, counties, and state trunk line highways assessed at large, in the proportion that they are taxed for the benefits received. The bonds shall be sold subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821. If any premium is received on the bonds, the premium shall belong to the fund of the drain. The proceeds derived from the sale of the bonds shall be deposited with the county treasurer to the credit of the drain fund. The county treasurer shall safely keep all the bonds until sold as provided in this section. However, this act shall not be considered to affect any bonds or refunding bonds issued prior to March 28, 1956 or any refunding bonds issued to replace the same. Furthermore, a county shall not advance or pay out of its general funds any money for or on account of principal or interest of any drain bonds issued before the effective date of former 1927 PA 331 or any refunding bonds issued to replace the bonds.

History: 1956, Act 40, Imd. Eff. Mar. 28, 1956 ;-- Am. 2002, Act 406, Imd. Eff. June 3, 2002 ;-- Am. 2016, Act 27, Imd. Eff. Mar. 1, 2016

Compiler's Notes: Act 331 of 1927, referred to in this section, was repealed by Act 247 of 1949, Act 40 of 1953, and Act 40 of 1956.

Popular Name: Act 40