

**COUNTY DEPARTMENT OF SOLID WASTE MANAGEMENT ACT (EXCERPT)**  
**Act 186 of 1989**

**45.589 Contract between county and public corporation; purpose; payment of obligations; tax levy; methods of raising money; pledge; powers.**

Sec. 9.

(1) A county may contract with 1 or more public corporations, including the county itself, for the acquisition, improvement, enlargement, or extension of a solid waste system and for the payment of the cost of the system by the contracting public corporations, with interest, over a period not exceeding 40 years.

(2) In a contract entered into under subsection (1), each contracting public corporation shall pledge its full faith and credit for the payment of its obligations under the contract. If the public corporation has taxing power, it may each year levy a tax in an amount that is sufficient for the prompt payment of all or part of the contract obligations due before the following year's tax collection. The contract is not subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821. If the contract or an unlimited tax pledge in support of the contract has been approved by the electors, the tax may be in addition to any tax that the public corporation otherwise may be authorized to levy and may be imposed without limitation as to rate or amount, but shall not be in excess of the rate or amount necessary to pay the contract obligation. For the payment of contractual obligations incurred pursuant to this section, a township shall levy a tax only on the taxable property of the township not incorporated as a village unless the township and a village have agreed that a part of the capacity in the county system allocated to the township by contract pursuant to this act will be used to serve areas in a village located wholly or partly within the township and the village has not itself agreed to purchase that capacity in the county system. If a contracting public corporation at the time of its annual tax levy has on hand in cash or has budgeted any amount pledged to the payment of the current obligations for which the tax levy is to be made, then the annual tax levy may be reduced by that amount. For the purpose of obtaining the credit, money may be raised by a public corporation by 1 or more of the following methods:

(a) Service or availability charges to users or customers of the system in an amount no greater than that needed to pay the current operating costs of the system.

(b) Special assessments upon lands benefited, directly or indirectly or at a present or future time.

(c) Setting aside state collected money disbursed to the public corporation and usable for this purpose.

(d) Setting aside other available money.

(3) Money raised or to be raised by a public corporation by a method described in subsection (2) may be pledged to secure the payment of its obligations under a contract entered into under subsection (1).

(4) A public corporation may agree to raise all or any part of its contract obligation by a method provided in this section or by another legally available method. The governing body of a public corporation shall exercise the powers granted to the public corporation under this act.

**History:** 1989, Act 186, Imd. Eff. Aug. 24, 1989 ;-- Am. 2002, Act 238, Imd. Eff. Apr. 29, 2002