

SENATE BILL No. 867

November 29, 2001, Introduced by Senator YOUNG and referred to the Committee on Finance.

A bill to amend 1951 PA 266, entitled "The garbage disposal act," by amending sections 4 and 7 (MCL 123.364 and 123.367), section 7 as amended by 1983 PA 28.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

SENATE BILL No. 867

1 Sec. 4. For the purpose of defraying the cost of purchas-
2 ing, acquiring, constructing, improving, installing, extending,
3 enlarging, adjusting, ~~and/or~~ AND repairing a garbage disposal
4 equipment system, any city or village may borrow money and issue
5 its negotiable bonds ~~therefor: Provided, That no~~ FOR THOSE
6 PURPOSES. HOWEVER, bonds shall NOT be issued under ~~the author-~~
7 ~~ity of~~ this section unless and until the ordinance required by
8 section 3 ~~hereof~~ has been adopted, which ~~said~~ ordinance shall
9 set forth a brief description of the contemplated garbage
10 disposal equipment system, the estimated cost of ~~such a~~ THE

SB 867, As Passed Senate, February 12, 2002

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1 system and the amount, maximum rate of interest, and the time of
2 payment of the bonds, not to exceed 20 years. ~~Such~~ THE bonds
3 and coupons shall be exempt from any and all taxation
4 ~~whatsoever~~ by ~~the~~ THIS state ~~of Michigan~~ or by any taxing
5 authority within ~~the~~ THIS state. The principal of and interest
6 on ~~such~~ THE bonds shall be payable primarily from the net reve-
7 nues derived from the operation of the garbage disposal equipment
8 system, and in addition the city or village may pledge the full
9 faith, credit, and resources of the city or village for the pay-
10 ment ~~thereof~~ OF THE BONDS. No bond or coupon issued ~~pursuant~~
11 ~~to the provisions of~~ UNDER this act shall constitute an indebt-
12 edness of the city or village within the meaning of any charter,
13 statutory, or constitutional limitation. All bonds issued under
14 ~~authority of~~ this section ~~shall be~~ ARE subject to the
15 ~~provisions of Act No. 202 of the Public Acts of 1943, as~~
16 ~~amended~~ REVISED MUNICIPAL FINANCE ACT, 2001 PA 34, MCL 141.2101
17 TO 141.2821.

18 Sec. 7. All money received from the sale of any ~~such~~
19 bonds ISSUED UNDER THIS ACT shall, after the payment of any
20 appropriation made under section 6, be used solely for the pur-
21 chase, acquisition, construction, improvement, installation,
22 extension, enlargement, adjustment, ~~and/or~~ OR repair of the
23 garbage disposal improvement for which THE BONDS WERE issued,
24 including any engineering, legal, and other expenses incident
25 ~~thereto~~ TO THE GARBAGE DISPOSAL IMPROVEMENT, and, ~~including~~
26 if ~~it shall have been so~~ determined in the authorizing
27 ordinance, the payment of the interest on ~~such~~ THE bonds during

1 a period not to exceed the first 3 years following the date of
2 ~~such~~ THE bonds and the amount required for operation and main-
3 tenance prior to the receipt of the first revenues. ~~Any unex-~~
4 ~~pected balance of the proceeds of sale of any such bonds remain-~~
5 ~~ing after the completion of the project for which issued, to the~~
6 ~~extent of 15% of the amount of the issue, may be used for the~~
7 ~~purpose of enlarging or improving the garbage disposal equipment~~
8 ~~system, if such use shall be approved by the department of trea-~~
9 ~~sury, and any remaining balance shall be paid immediately into~~
10 ~~the bond and interest redemption fund for such bonds, and the~~
11 ~~same shall be used only for the redemption or purchase at not~~
12 ~~more than the fair market value of outstanding bonds of the issue~~
13 ~~from which such proceeds were derived. Any bonds so acquired by~~
14 ~~purchase shall be canceled and shall not be reissued. Each ordi-~~
15 ~~nance shall state the period for which interest is to be capital-~~
16 ~~ized, and upon receipt of the proceeds of the bonds, there shall~~
17 ~~be set aside therefrom in the bond and interest redemption fund~~
18 ~~the amount of interest which shall accrue during such period at~~
19 ~~the interest rate or rates specified in the bonds. Money so set~~
20 ~~aside shall be used solely for the payment of such capitalized~~
21 ~~interest.~~