

# 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:**

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

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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 ~~pended 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.~~