

SENATE BILL No. 929

November 29, 2007, Introduced by Senator BARCIA and referred to the Committee on Finance.

A bill to amend 1895 PA 215, entitled
"The fourth class city act,"
by amending section 20 (MCL 110.20).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 20. (1) If a greater amount is required in any year for a
2 lawful purpose than can be raised by the council under the
3 provisions of this chapter, the amount may be raised by tax or
4 loan, or partly by tax and partly by loan. The amount that may be
5 voted or raised by tax, if approved by a majority vote of the
6 electors at an annual or special city election, in any year under
7 the provisions of this act, shall not exceed 2% of the assessed
8 valuation of the real and personal property in the city as shown by
9 the last preceding tax rolls made in the city.

1 (2) The amount of indebtedness incurred by the issue of bonds
2 or otherwise, including existing indebtedness, shall not exceed 10%
3 of the assessed valuation of the real and personal property within
4 the city subject to taxation as shown by the last preceding
5 assessment roll of the city.

6 (3) In case of fire, flood, or other calamity requiring an
7 emergency fund for the relief of the inhabitants of the city, or
8 for the repairing or rebuilding of any of its municipal buildings,
9 works, bridges, or streets, the council may borrow money due in not
10 more than 3 years and in an amount not exceeding 1/4 of 1% of the
11 assessed valuation of the city, notwithstanding the loan may
12 increase the indebtedness of the city beyond the limitations fixed
13 by the city charter or in this act.

14 (4) In computing the net indebtedness the following shall be
15 excluded:

16 (a) Bonds issued in anticipation of the collection of special
17 assessments even though they are a general obligation of the city.

18 (b) Motor vehicle highway fund bonds even though they are a
19 general obligation of the city.

20 (c) Revenue bonds.

21 (d) Bonds issued or contract or assessment obligations
22 incurred to comply with an order of the water resources commission
23 or a court of competent jurisdiction even though they are a general
24 obligation of the city.

25 (e) Obligations incurred for water supply, sewage, drainage,
26 or refuse disposal projects necessary to protect the public health
27 by abating pollution even though they are a general obligation of

1 the city.

2 (f) Mortgage bonds which are secured only by a mortgage on the
3 property and revenues, including a franchise, stating the terms
4 upon which, in case of foreclosure, the purchaser may operate the
5 franchise; which franchise shall not extend for more than 20 years
6 after the date of the sale of the utility and franchise on
7 foreclosure.

8 (g) Bonds issued to acquire housing for which rent subsidies
9 will be received by the city or an agency of the city under a
10 contract with the United States government and used by the city to
11 operate and maintain the housing and pay principal and interest on
12 the bonds.

13 (5) The resources of the sinking fund pledged for the
14 retirement of any outstanding bonds shall also be deducted from the
15 amount of indebtedness.

16 (6) Bonds issued before the effective date of this subsection,
17 or contract or assessment obligations incurred before the effective
18 date of this subsection, are validated.

19 (7) In computing the net indebtedness determined under
20 subsection (2) there may be added to the assessed value of real and
21 personal property in a city for a fiscal year an amount equal to
22 the assessed value equivalent of certain city revenues as
23 determined under this subsection. The assessed value equivalent
24 shall be calculated by dividing the sum of the following amounts by
25 the city's millage rate for the fiscal year:

26 (a) The amount paid or the estimated amount required to be
27 paid by the state to the city during the city's fiscal year for the

1 city's use pursuant to ~~sections 134 and 136(1), (2), and (3) of Act~~
2 ~~No. 228 of the Public Acts of 1975, being sections 208.134 and~~
3 ~~208.136 of the Michigan Compiled Laws~~ **SECTION 13 OF THE GLENN STEIL**
4 **STATE REVENUE SHARING ACT OF 1971, 1971 PA 140, MCL 141.913.** The
5 department of treasury shall certify the amount upon request.

6 (b) The amount levied by the city for its own use during the
7 city's fiscal year from the specific tax levied under ~~Act No. 198~~
8 ~~of the Public Acts of 1974, as amended, being sections 207.551 to~~
9 ~~207.571 of the Michigan Compiled Laws~~ **1974 PA 198, MCL 207.551 TO**
10 **207.572.**

11 (c) The amount levied by the city for its own use during the
12 city's fiscal year from the specific tax levied under ~~Act No. 255~~
13 ~~of the Public Acts of 1978, being sections 207.651 to 207.668 of~~
14 ~~the Michigan Compiled Laws~~ **THE COMMERCIAL REDEVELOPMENT ACT, 1978**
15 **PA 255, MCL 207.651 TO 207.668.**