

**STATE TRUNK LINE HIGHWAY SYSTEM (EXCERPT)**  
**Act 51 of 1951**

**247.668c Counties; bonds.**

Sec. 18c.

(1) A county may borrow money and issue bonds to pay all or any portion of the cost of the construction or reconstruction of highways, including limited access highways, which by law a county road commission is authorized to construct or reconstruct, or participate with any other county road commission, city, or village in the construction or reconstruction of, including the construction or the enlargement, reconstruction, or relocation of existing highways and the acquisition of necessary rights-of-way for those highways, and all work incidental to the construction or reconstruction, which bonds shall be issued only upon the written recommendation or approval of the county road commission, and the adoption of a resolution by a majority vote of the county board of commissioners of the county. The resolution shall briefly describe the contemplated highway construction project, the estimated cost of the project, and the amount, maximum rate of interest, and maturity dates of the bonds to be issued and the form of the bonds. The resolution shall contain an irrevocable appropriation providing for the payment of the principal and interest of the bonds from the money received or to be received by the county road commission from the Michigan transportation fund, except to the extent the money has been pledged by contract in accordance with 1941 PA 205, MCL 252.51 to 252.64, before July 1, 1957, for the construction or financing of limited access highways, and except to the extent the moneys have been pledged before July 1, 1957, for the payment of notes issued under 1943 PA 143, MCL 141.251 to 141.254. A contractual pledge made before July 1, 1957, in accordance with the provisions of 1941 PA 205, MCL 252.51 to 252.64, and a pledge made before July 1, 1957, for the payment of promissory notes under 1943 PA 143, MCL 141.251 to 141.254, shall have and retain its priority of lien or charge against the money distributed by law to the county road commission from the Michigan transportation fund, as contemplated by those acts, and as provided in the contract or resolution authorizing the issuance of bonds or notes under those acts. A pledge made after June 30, 1957, by a county road commission under 1941 PA 205, MCL 252.51 to 252.64, or 1943 PA 143, MCL 141.251 to 141.254, shall have equal standing and priority with a pledge made after June 30, 1957, by the county road commission under this act. The total aggregate amount of bonds that may be issued by a county under this section shall not exceed the amount that will be serviced as to their maximum annual principal and interest requirements by an amount equal to 20% of the moneys received by the county road commission of the county from the Michigan transportation fund during the fiscal year immediately preceding the issuance of the bonds. Bonds may be issued under this section as separate issues or series with different dates of issuance but the aggregate of the bonds shall be subject to the limitations set forth in this act. As additional security for the payment of the bonds, a county, upon adoption of a resolution by a majority of the members of its county board of commissioners, may agree on behalf of the county that if the funds pledged for the payment of the bonds are at any time insufficient to pay the principal and interest on the bonds as the same become due, the county treasurer shall be obligated to advance sufficient money from the general fund of the county to make up the deficiency, and reimbursement shall be made from the first subsequent revenues received by the county road commission from the Michigan transportation fund not pledged or required to be set aside and used for the payment of the principal and interest on bonds, notes, or other evidences of indebtedness.

(2) The total annual amount that may be pledged by a county road commission for the payment of principal and interest on bonds issued pursuant to this section, or the payment of contributions as required by a contract entered into in accordance with section 18d, which contributions are pledged for the payment of bonds, together with total maximum debt service requirements for payment of notes issued under 1943 PA 143, MCL 141.251 to 141.254, shall not exceed 50% of the total amount received by the county road commission from the Michigan transportation fund during the last completed fiscal year ending on June 30 before the issuance of a bond or note or the execution of a contract.

(3) Bonds issued under this section are subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

**History:** Add. 1957, Act 262, Eff. July 1, 1957 ;-- Am. 1978, Act 444, Imd. Eff. Oct. 10, 1978 ;-- Am. 2002, Act 451, Imd. Eff. June 21, 2002

**Compiler's Notes:** The following communication was sent to Governor John Engler on December 9, 2002:â€œDecember 9, 2002The Honorable John EnglerCapitol BuildingLansing, MI 48913Subject: PA 451 of 2002Dear Governor Engler:This is to inform you that an error has been discovered in Enrolled Senate Bill No. 1265, which was assigned Public Act No. 451 of 2002. The enrolled bill was presented to you on June 7, 2002, and it did not accurately reflect what was agreed to by both houses of the Legislature. Specifically, Section 18c(3) incorrectly stated: '(3) Bonds issued under this section are not subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.' The language agreed to by both houses should read as follows: '(3) Bonds issued under this section are subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.' Therefore, we are presenting a correct Enrolled Senate Bill No. 1265 for your signature and filing with the Secretary of State. Upon filing, the defective Enrolled Senate Bill No. 1265 will be replaced with the correct Enrolled Senate Bill No. 1265 and assigned the same public act number. The inaccurate enrolled bill was signed by you on June 21, 2002,

and filed with the Secretary of State on June 21, 2002. The effective date of Public Act No. 451 of 2002 will remain June 21, 2002. This procedure ensures that the bill as passed by both houses in the Legislature is accurately filed and effective, while this document will provide notification to the public. We apologize for any inconvenience this may have caused you and the citizens of the state of Michigan. If you have any questions, please feel free to contact us. Sincerely, Carol Morey Viventi Gary L. Randall Secretary of the Senate Clerk of the House of Representatives

On December 9, 2002, a corrected version of Enrolled Senate Bill No. 1265, signed by the Governor and dated June 21, 2002, was filed with the Secretary of State. The corrected version of Enrolled Senate Bill No. 1265 was assigned the same filing date (June 21, 2002) and Public Act number (451) as the defective enrolled bill.

**Popular Name:** McNitt Act

**Popular Name:** Michigan Transportation Fund Act