

MUNICIPAL BORROWING

Act 79 of 1937

AN ACT to authorize any municipality, as herein defined, to borrow money and issue notes in anticipation of the collection of revenues other than taxes and special assessments; and to prescribe the powers and duties of certain state departments, commissions, and officials.

History: 1937, Act 79, Imd. Eff. June 14, 1937 ;-- Am. 1983, Act 50, Imd. Eff. May 16, 1983

The People of the State of Michigan enact:

141.221 Definitions.

Sec. 1.

The following definitions shall apply for the purposes of this act:

(a) "Municipality" means any local unit of government of this state which may now or may hereafter operate any public utility pursuant to law for the purpose of supplying bus or street railway transportation, including all plants, works, instrumentalities, and properties used or useful in connection with the operation of any public utility for the purpose of supplying street railway or bus transportation, except any gas or electric utility, or water supply systems, including all plants, works, instrumentalities, and properties used or useful in connection with obtaining a water supply system, the treatment of water or the distribution of water, or both, except any gas or electric utility.

(b) "Governing" means the council, common council, or commission of a municipality.

(c) "Fiscal year" means the 12-month period as may be determined by statute, charter, or ordinance as the fiscal year of the municipality.

History: 1937, Act 79, Imd. Eff. June 14, 1937 ;-- Am. 1947, Act 342, Eff. Oct. 11, 1947 ;-- CL 1948, 141.221 ;-- Am. 1983, Act 50, Imd. Eff. May 16, 1983

141.222 Municipal borrowing; bus and street railway transportation or water supply utility purposes.

Sec. 2.

Any municipality of this state that operates any public utility pursuant to law for the purpose of supplying bus or street railway transportation or water supply may, by resolution of its governing body, borrow money and issue notes for the purpose of acquiring, constructing, purchasing, owning, maintaining, or operating any public utility as described in section 1(a), as the board in charge of the utility and the governing body of the municipality may consider necessary or desirable for the purpose of supplying bus or street railway transportation or water supply to the inhabitants of the municipality and within a distance of 10 miles from any portion of its corporate limits, and as the public convenience may require, together with all the necessary equipment.

History: 1937, Act 79, Imd. Eff. June 14, 1937 ;-- Am. 1947, Act 342, Eff. Oct. 11, 1947 ;-- CL 1948, 141.222 ;-- Am. 2002, Act 193, Imd. Eff. Apr. 29, 2002

141.223 Notes subject to MCL 141.2101 to 141.2821.

Sec. 3.

Notes issued under this act are subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

History: 1937, Act 79, Imd. Eff. June 14, 1937 ;-- CL 1948, 141.223 ;-- Am. 1983, Act 50, Imd. Eff. May 16, 1983 ;-- Am. 2002, Act 193, Imd. Eff. Apr. 29, 2002

141.224 Municipal borrowing for utility purposes; limitations.

Sec. 4.

Any governmental unit described in this act may borrow money and issue notes in anticipation of the collection of revenues of any utility described in this act to an amount not exceeding 10% of the total revenues of the public utility for the preceding fiscal year. The notes may be issued at any time against current revenues of the utility or the same may be issued against the revenues of any ensuing fiscal year and shall be made payable not later than the fiscal year against which revenues are pledged.

History: 1937, Act 79, Imd. Eff. June 14, 1937 ;-- CL 1948, 141.224 ;-- Am. 2002, Act 193, Imd. Eff. Apr. 29, 2002

141.225 Repealed. 2002, Act 193, Imd. Eff. Apr. 29, 2002.

Compiler's Notes: The repealed section pertained to municipal borrowing for utility purposes.

141.226 Municipal borrowing for utility purposes; liability of municipality; construction of act.

Sec. 6.

The faith and credit of the municipality shall remain pledged for the payment of said notes: Provided, however, That this act shall not repeal any existing statutory or charter provisions authorizing the borrowing of money or the issuance of bonds or notes, but shall be construed as an additional grant of power to that now prescribed by other statutory or charter provisions. The notes and revenues herein provided for shall not be deemed to be within any statutory or charter limitation of tax rate, bonded indebtedness, or other indebtedness, but shall be deemed to be authorized in addition thereto.

History: 1937, Act 79, Imd. Eff. June 14, 1937 ;-- CL 1948, 141.226