

Act No. 87  
Public Acts of 2018  
Approved by the Governor  
March 26, 2018  
Filed with the Secretary of State  
March 26, 2018  
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**STATE OF MICHIGAN  
99TH LEGISLATURE  
REGULAR SESSION OF 2018**

Introduced by Senators Stamas, Shirkey and Brandenburg

# **ENROLLED SENATE BILL No. 591**

AN ACT to amend 1895 PA 3, entitled “An act to provide for the government of certain villages; to define their powers and duties; to provide for the levy and collection of taxes, borrowing of money, and issuance of bonds and other evidences of indebtedness by villages subject to this act; to define the powers and duties of certain state and local officers and entities; to define the application of this act and provide for its amendment by villages subject to this act; to validate prior amendments and certain prior actions taken and bonds issued by villages subject to this act; to provide for the disincorporation of villages; and to prescribe penalties and provide remedies,” by amending section 22 of chapter IX (MCL 69.22), as amended by 1998 PA 254.

*The People of the State of Michigan enact:*

CHAPTER IX

FINANCE AND TAXATION.

Sec. 22. (1) If any greater amount is required in any year for any lawful purpose than can otherwise be raised by the council under this chapter, the amount may be raised by tax or loan, or partly by tax and partly by loan. If approved by a majority vote of the electors at an annual or special village election, the council may levy a tax that, in any year, must not exceed 2% of the assessed valuation of the real and personal property within the village, as shown by the last preceding assessment roll of the village.

(2) The amount of indebtedness incurred by the issue of bonds or otherwise, including existing indebtedness, must not exceed 10% of the assessed valuation of the real and personal property within the village subject to taxation as shown by the last preceding assessment roll of the village. Bonds issued in anticipation of the collection of special assessments even though the bonds are a general obligation of the village, motor vehicle highway fund bonds even though they are a general obligation of the village, revenue bonds, or bonds issued or contract or assessment obligations incurred to comply with an order of the department of environmental quality or a court of competent jurisdiction, even though they are a general obligation of the village and bonds issued or contract or assessment obligations incurred for water supply, sewage, drainage, or refuse disposal necessary to protect the public health by abating pollution even though they are a general obligation of the village, are not included in this limitation. Money on hand in a sinking fund limited to the payment of indebtedness may be treated as a reduction of the indebtedness to that extent. In case of fire, flood, or other calamity requiring an emergency fund for the relief of the inhabitants of the village, or for the repairing or rebuilding of any of its municipal buildings, works, bridges, or streets, the council may borrow money due in not more than 3 years and in an amount not exceeding 1/4 of 1% of the taxable valuation of the village, notwithstanding that the loan may increase the indebtedness of the village beyond the limitations fixed by this section. If a village is authorized to acquire or operate a public utility, the village may issue mortgage bonds therefor beyond the general limit of bonded indebtedness prescribed by this section. The mortgage bonds issued beyond the limit of general indebtedness prescribed by this section must not impose any liability upon the village, but must be secured only upon the property and revenues

of the public utility, including its franchise, stating the terms upon which, in case of foreclosure, the purchaser may operate the public utility; which franchise must not extend for a period of more than 20 years from the date of the sale of the utility and franchise on foreclosure. All bonds issued, or contract or assessment obligations incurred, before January 30, 1974 are validated.

(3) In computing the net indebtedness for the purposes of subsection (2), there may be added to the assessed value of real and personal property in a village for a fiscal year an amount equal to the assessed value equivalent of certain village revenues as determined under this subsection. The assessed value equivalent must be calculated by dividing the sum of the following amounts by the village's millage rate for the fiscal year:

(a) The amount paid or the estimated amount required to be paid by the state to the village during the village's fiscal year for the village's use under the Glenn Steil state revenue sharing act of 1971, 1971 PA 140, MCL 141.901 to 141.921, and the amount of any eligible reimbursement to the village under the local community stabilization authority act, 2014 PA 86, MCL 123.1341 to 123.1362, except any amount distributed under section 17(4)(c) of the local community stabilization authority act, 2014 PA 86, MCL 123.1357, in excess of the village's qualified loss. The department of treasury shall certify these amounts upon request. As used in this subdivision, "qualified loss" means that term as defined in section 5 of the local community stabilization authority act, 2014 PA 86, MCL 123.1345.

(b) The amount levied by the village for its own use during the village's fiscal year from the specific tax levied under 1974 PA 198, MCL 207.551 to 207.572.

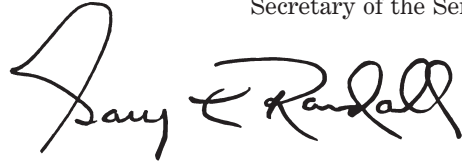
(c) The amount levied by the village for its own use during the village's fiscal year from the specific tax levied under the commercial redevelopment act, 1978 PA 255, MCL 207.651 to 207.668.

Enacting section 1. This amendatory act takes effect 90 days after the date it is enacted into law.

This act is ordered to take immediate effect.



Secretary of the Senate



Clerk of the House of Representatives

Approved .....

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Governor