

TOWNSHIP WATER SUPPLY AND SEWAGE DISPOSAL SERVICES AND FACILITIES (EXCERPT)
Act 107 of 1941

41.350n Provisions to which transaction authorized by MCL 41.350m subject.

Sec. 20n.

A transaction authorized by section 20m is subject to the following provisions:

(a) A note shall be payable in annual installments the aggregate of which does not exceed 10 and the first of which is due not later than August 1 after the calendar year in which the note is issued. Subsequent maturity dates, if any, shall likewise be August 1. The note shall bear interest at a rate not exceeding 4% per year, payable semiannually, and may be made subject to redemption on an interest payment date before maturity at par plus accrued interest on terms and conditions provided in the authorizing resolution.

(b) The amount of a loan authorized by section 20m shall not, when payable, exceed the following percentage of the total aggregate revenues derived from sales tax money received by the township for the preceding 5 calendar years:

- (i) For a loan payable in 10 installments 40%.
- (ii) For a loan payable in 9 installments 36%.
- (iii) For a loan payable in 8 installments 32%.
- (iv) For a loan payable in 7 installments 28%.
- (v) For a loan payable in 6 installments 24%.
- (vi) For a loan payable in 5 installments 20%.
- (vii) For a loan payable in 4 installments 16%.
- (viii) For a loan payable in 3 installments 12%.
- (ix) For a loan payable in 2 installments 8%.
- (x) For a loan payable in 1 installment 4%.

(c) The resolution authorizing the borrowing shall contain an irrevocable appropriation providing for the payment of the principal and interest from the money to be derived from state collected sales tax returned to the township. After the borrowing is authorized, the township treasurer shall set aside in a separate fund from the money received in each year an amount sufficient for the payment of the principal and interest of the loan maturing on August 1 of the next calendar year. The full faith and credit of the township shall not be pledged.

History: Add. 1989, Act 83, Imd. Eff. June 20, 1989