

**LEGAL COMPLIANCE SECTION (Continued)**

| <u>MCLA Reference</u> | <u>Impact</u> | <u>Statutory Provisions, Attorney General Opinions &amp; Court Cases</u>   |
|-----------------------|---------------|--|
| 247.668c              | C             | Bonds issued under this section are subject to the Revised Municipal Finance Act, PA 34 of 2001.   |
| 247.668d              | C             | If the county road commission has entered into contracts with the state transportation commission, a city or village providing for the construction or reconstruction of highways under the jurisdiction and control of one of the contracting parties to the extent that the contracting parties are otherwise authorized by law to expend moneys on the highways, roads, or streets, the contracts shall provide for allocation of the share of the costs of the construction or the reconstruction to be borne by the county road commission or the state transportation commission, city, or village in annual installments for a period not to exceed 30 years. |
|                       | C             | If the road commission borrows money and issues bonds in accordance with this act for the purpose of providing funds for the immediate construction or reconstruction of the highway projects contemplated by the contracts, the bonds shall be secured by an irrevocable pledge of the annual contributions to be made by the road commission or other governmental units that are a party to the contracts.  |
|                       | C             | Before the issuance of the bonds, the issuance of the bond shall be approved by the state administrative board and by a resolution of the county road commission and the governing body of each city or village that is a party to the contracts.  |
|                       | C             | The aggregate amount of annual contributions made by the road commission under this section and pledged for the payment of principal and interest on bonds issued pursuant to a contract shall not exceed 40% of the total MTF funds received by the road commission during the last completed fiscal year ending on the June 30 before the execution of a contract.   |
| 247.668e              | C             | Bonds issued by the road commission under this act shall be serial bonds with annual maturities, or term bonds, with mandatory redemption requirements, or both serial and term bonds.   |
|                       | C             | Bond issues shall not exceed 30 years.   |