Township Bonding Caps; SB 7

SB 7 increases the bonding cap on general obligation bonds issued by townships for the reconstruction, repair, and equipment of township buildings in any township with a population of more than 5,000 and increases the bonding cap for bond issues of a township fire department.

The cap on general obligation bonds remains at 1.0 percent of the assessed tangible valuation of the township for any township with a population of no more than 5,000. The bill raises the cap to 5.0 percent for any township with a population of more than 5,000 but less than 10,000 and to 10.0 percent for any township with a population of more than 10,000.

The cap on bonds for township fire department buildings and equipment increases from 0.5 percent to 5.0 percent of the assessed tangible valuation of property in the township. The bill also increases the maximum maturity term of such bonds from 15 years to 20 years.