



HOUSE BILL No. 5223

November 29, 1993, Introduced by Reps. Bullard, Dobb, Munsell, Bobier, Brown, Freeman, Gubow and Profit and referred to the Committee on Taxation.

A bill to amend sections 16 and 17 of Act No. 2 of the Public Acts of 1968, entitled as amended "Uniform budgeting and accounting act," section 16 as amended by Act No. 78 of the Public Acts of 1981 and section 17 as amended by Act No. 77 of the Public Acts of 1981, being sections 141.436 and 141.437 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Sections 16 and 17 of Act No. 2 of the Public
2 Acts of 1968, section 16 as amended by Act No. 78 of the Public
3 Acts of 1981 and section 17 as amended by Act No. 77 of the
4 Public Acts of 1981, being sections 141.436 and 141.437 of the
5 Michigan Compiled Laws, are amended to read as follows:

6 Sec. 16. (1) Unless another method for adopting a budget is
7 provided by a charter provision in effect on April 1, 1980, the

1 legislative body of each local unit shall pass a general
2 appropriations act for all funds except trust or agency, intra-
3 governmental service, enterprise, public improvement or building
4 and site, or special assessment funds for which the legislative
5 body may pass a special appropriation act.

6 (2) THE GENERAL APPROPRIATIONS ACT SHALL SET FORTH THE TOTAL
7 NUMBER OF MILLS TO BE LEVIED UNDER THE GENERAL PROPERTY TAX ACT,
8 ACT NO. 206 OF THE PUBLIC ACTS OF 1893, BEING SECTIONS 211.1 TO
9 211.157 OF THE MICHIGAN COMPILED LAWS, AND THE PURPOSES FOR WHICH
10 THAT MILLAGE IS TO BE LEVIED. THE AMENDATORY ACT THAT ADDED THIS
11 SUBSECTION SHALL BE KNOWN AND MAY BE CITED AS "THE TRUTH IN BUD-
12 GETING ACT".

13 (3) ~~-(2)-~~ The general appropriations act shall set forth the
14 amounts appropriated by the legislative body to defray the expen-
15 ditures and meet the liabilities of the local unit for the ensu-
16 ing fiscal year, and shall set forth a statement of estimated
17 revenues, by source, in each fund for the ensuing fiscal year.

18 (4) ~~-(3)-~~ The general appropriations act shall be consistent
19 with uniform charts of accounts prescribed by the state treasurer
20 or, for local school districts and intermediate school districts,
21 by the state board of education.

22 (5) ~~-(4)-~~ This act shall not be interpreted to mandate the
23 development or adoption by a local unit of a line-item budget or
24 line-item general appropriations act.

25 (6) ~~-(5)-~~ The legislative body shall determine the amount of
26 money to be raised by taxation necessary to defray the
27 expenditures and meet the liabilities of the local unit for the

1 ensuing fiscal year, shall order that money to be raised by
2 taxation, within statutory and charter limitations, and shall
3 cause the money raised by taxation to be paid into the funds of
4 the local unit.

5 (7) ~~-(6)-~~ Except as otherwise permitted by section 102 of
6 THE STATE SCHOOL AID ACT OF 1979, Act No. 94 of the Public Acts
7 of 1979, as amended, being section 388.1702 of the Michigan
8 Compiled Laws, or by other law, the legislative body shall not
9 adopt a general appropriations act or an amendment to that act
10 which causes estimated total expenditures, including an accrued
11 deficit, to exceed total estimated revenues, including an avail-
12 able surplus and the proceeds from bonds or other obligations
13 issued under the fiscal stabilization act or the balance of the
14 principal of these bonds or other obligations.

15 Sec. 17. (1) Except as otherwise provided in section 19, a
16 deviation from the original general appropriations act shall not
17 be made without amending the general appropriations act. The
18 legislative body of the local unit shall amend the general appro-
19 priations act, SUBJECT TO SECTION 16(2), as soon as it becomes
20 apparent that a deviation from the original general appropria-
21 tions act is necessary and the amount of the deviation can be
22 determined. An amendment shall indicate each intended alteration
23 in the purpose of each appropriation item affected by the
24 amendment. The legislative body may require that the chief
25 administrative officer or fiscal officer provide it with periodic
26 reports on the financial condition of the local unit.

1 (2) If, during a fiscal year, it appears to the chief
2 administrative officer, or the fiscal officer in local units
3 which have not elected or designated a chief administrative offi-
4 cer, or to the legislative body that the actual and probable rev-
5 enues from taxes and other sources in a fund are less than the
6 estimated revenues, including an available surplus upon which
7 appropriations from the fund were based and the proceeds from
8 bonds or other obligations issued under the fiscal stabilization
9 act, ACT NO. 80 OF THE PUBLIC ACTS OF 1981, BEING
10 SECTIONS 141.1001 TO 141.1011 OF THE MICHIGAN COMPILED LAWS, or
11 the balance of the principal of these bonds or other obligations,
12 the chief administrative officer or fiscal officer shall present
13 to the legislative body recommendations which, if adopted, would
14 prevent expenditures from exceeding available revenues for that
15 current fiscal year. The recommendations shall include proposals
16 for reducing appropriations from the fund for budgetary centers
17 in a manner that would cause the total of appropriations to not
18 be greater than the total of revised estimated revenues of the
19 fund, or proposals for measures necessary to provide revenues
20 sufficient to meet expenditures of the fund, or both. The recom-
21 mendations shall recognize the requirements of state law and the
22 provisions of collective bargaining agreements.

23 Section 2. This amendatory act shall not take effect unless
24 House Bill No. 5018 of the 87th Legislature is enacted into law.