



HOUSE BILL No. 4518

March 2, 1995, Introduced by Reps. Bullard, Agee, Brackenridge and Profit and referred to the Committee on Local Government.

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, ACT NO. 80 OF THE
14 PUBLIC ACTS OF 1981, BEING SECTIONS 141.1001 TO 141.1011 OF THE
15 MICHIGAN COMPILED LAWS, or the balance of the principal of these
16 bonds or other obligations.

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

1 administrative officer or fiscal officer provide it with periodic
2 reports on the financial condition of the local unit.

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