

REPRINT

**SUBSTITUTE FOR  
SENATE BILL NO. 1196**

(As Passed the Senate December 2, 1998)

A bill to amend 1980 PA 243, entitled "Emergency municipal loan act," by amending sections 2, 3, 4, 6, 7, and 8 (MCL 141.932, 141.933, 141.934, 141.936, 141.937, and 141.938), sections 2 and 3 as amended by 1987 PA 282, sections 4, 7, and 8 as amended by 1986 PA 6, and section 6 as amended by 1988 PA 198.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 2. (1) There is created a local emergency financial  
2 assistance loan board within the department of treasury. This  
3 board shall consist of the state treasurer, the director of  
4 ~~commerce~~ THE DEPARTMENT OF CONSUMER AND INDUSTRY SERVICES, and  
5 the director of the department of management and budget. Except  
6 for budgeting, procurement, and related functions of the board  
7 ~~which~~ THAT shall be performed under the direction and  
8 supervision of the state treasurer, the board shall exercise its

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1 prescribed statutory powers, duties, and functions independently  
2 of the department of treasury.

3 (2) The board ~~shall have~~ HAS the powers necessary to carry  
4 out and effectuate the purposes and provisions of this act,  
5 including all of the following powers:

6 (a) To act by an order issued in the name of the board and  
7 signed by the members of the board. The signature of the desig-  
8 nee of ~~any~~ A member, when the designee is acting for his or her  
9 principal, ~~shall have~~ HAS the same force and effect as the sig-  
10 nature of the member.

11 (b) To authorize and make loans; to renegotiate the terms of  
12 outstanding loans; and to make, execute, and deliver contracts  
13 and other instruments necessary or convenient to the exercise of  
14 its powers.

15 (c) To aid, advise, and consult with ~~any~~ A municipality  
16 with respect to fiscal questions arising from and relating to its  
17 proposed or outstanding loans.

18 (d) To promulgate rules ~~, pursuant to~~ UNDER the adminis-  
19 trative procedures act of 1969, ~~Act No. 306 of the Public Acts~~  
20 ~~of 1969, as amended, being sections 24.201 to 24.328 of the~~  
21 ~~Michigan Compiled Laws, which~~ 1969 PA 306, MCL 24.201 TO 24.328,  
22 THAT it considers necessary.

23 (e) To examine the books and records of ~~any~~ A municipality  
24 applying for or receiving a loan under this act for the purpose  
25 of ascertaining if the municipality is complying, in relation to  
26 a loan under this act, with the requirements of the board, the  
27 laws of this state, and the charter, ordinances, and resolutions

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1 of the municipality. Additionally, for effectuating this  
2 purpose, the board may require sworn statements from any officer  
3 or employee of the municipality and may require the municipality  
4 to furnish a statement of its financial condition. The board  
5 ~~shall have~~ HAS full power, in furtherance of its investiga-  
6 tions, to examine witnesses on oath, to compel the attendance of  
7 witnesses, to compel the giving of testimony, and to compel the  
8 production of books, papers, and records. Witnesses may be sum-  
9 moned by the board by its process upon the payment of the same  
10 fees as are allowed to witnesses attending in the circuit court  
11 for the county in which a hearing is held. ~~Any~~ A person duly  
12 subpoenaed under this section who fails to attend or testify at  
13 the place named in the subpoena served for that purpose is guilty  
14 of a misdemeanor.

15 (f) To serve notice upon ~~any~~ A municipality of ~~any~~ AN  
16 order relating to the municipality ~~which was~~ issued by the  
17 board. A municipality ~~shall be considered to have~~ HAS prima  
18 facie notice of and ~~be~~ IS bound by an order of the board if  
19 notice has been served upon it by registered mail addressed to  
20 any officer of the municipality upon whom legal process may be  
21 served.

22 (g) To enforce compliance with its orders; with the terms of  
23 outstanding loans; with any provision of this act; or, in rela-  
24 tion to a loan under this act, with any law of this state or with  
25 the charter, ordinances, or resolutions of a municipality ~~which~~  
26 ~~has~~ THAT received a loan under this act. As 1 method to enforce  
27 compliance, the board may institute appropriate proceedings in

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1 the courts of this state, including proceedings for writs of  
2 mandamus and injunctions.

3 (h) To subject a loan to the terms and conditions the board  
4 considers necessary to ensure compliance with the uniform budget-  
5 ing and accounting act, ~~Act No. 2 of the Public Acts of 1968,~~  
6 ~~being sections~~ 1968 PA 2, MCL 141.421 to 141.440a, and to ensure  
7 timely repayment of the loan, including, but not limited to,  
8 requiring the direct assignment for repayment of a loan of any  
9 state money appropriated to the municipality.

10 (i) To provide loan terms specifying conditions and events  
11 of default and remedies available upon default by a  
12 municipality.

13 (j) To impose loan terms ~~ensuring repayment of a loan made~~  
14 ~~pursuant to section 3(2) on the earliest possible date, including~~  
15 ~~terms to require any general fund surplus and 1-time revenue~~  
16 ~~gains to be used to repay the loan and terms to require board~~  
17 ~~approval of general fund program expansions or additions not~~  
18 ~~required by state law~~ UPON THE DISBURSEMENT OF A LOAN AUTHORIZED  
19 TO BE MADE UNDER SECTION 3(2)(B) OR (3).

20 (3) The board shall review each application for a loan from  
21 a municipality to determine if the municipality satisfies the  
22 requirements of this act. ~~Upon~~ EXCEPT FOR LOANS AUTHORIZED  
23 UNDER SECTION 3(2) OR (3), UPON determining those applications  
24 ~~which~~ THAT satisfy the application eligibility requirements of  
25 section 4 and, for subsequent annual loans, section 8, the board  
26 may authorize an annual loan to 1 or more of those eligible  
27 applicants upon declaring that a local fiscal emergency exists in

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1 the municipality. FOR LOANS AUTHORIZED UNDER SECTION 3(2) OR  
2 (3), THE BOARD MAY AUTHORIZE A LOAN UPON DETERMINING THAT THE  
3 MUNICIPALITY HAS SATISFIED THE REQUIREMENTS OF THIS ACT APPLICA-  
4 BLE TO LOANS UNDER SECTION 3(2) OR (3).

5 (4) All actions of the board ~~, including, but not limited~~  
6 ~~to, granting a loan, determining the amount of and rate or rates~~  
7 ~~of interest, if any, on the loan, and fixing any other condition~~  
8 ~~relating to the loan,~~ shall be approved by all members of the  
9 board. All meetings of the board shall be conducted at a public  
10 meeting held in compliance with the open meetings act, ~~Act~~  
11 ~~No. 267 of the Public Acts of 1976, as amended, being sections~~  
12 ~~15.261 to 15.275 of the Michigan Compiled Laws 1976 PA 267, MCL~~  
13 ~~15.261 TO 15.275.~~

14 (5) Subject to the requirements of this act, the board has  
15 the sole authority to determine ~~the amount of the loan, the rate~~  
16 ~~or rates of interest on the loan, and any other condition related~~  
17 ~~to the loan including, but not limited to, requiring that the~~  
18 ~~proceeds of the loan be used for specified purposes.~~ ALL OF THE  
19 FOLLOWING:

20 (A) THE AMOUNT OF A LOAN.

21 (B) THE RATE OR RATES OF INTEREST ON A LOAN.

22 (C) ANY OTHER CONDITION RELATED TO A LOAN INCLUDING, BUT NOT  
23 LIMITED TO, REQUIRING THAT THE PROCEEDS OF A LOAN BE USED FOR  
24 SPECIFIED PURPOSES.

25 (6) The department of treasury shall provide staff services  
26 to the board ~~for purposes of carrying~~ TO CARRY out this act.

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- 1 (7) A MUNICIPALITY MAY DO 1 OR MORE OF THE FOLLOWING:  
2 (A) BORROW MONEY UNDER THIS ACT.  
3 (B) ENTER INTO A LOAN AGREEMENT WITH THE BOARD.  
4 (C) ISSUE ITS NOTES EVIDENCING THE LOAN.  
5 (D) ASSIGN AND CONVEY ANY REVENUES ALLOCATED TO IT FOR  
6 REPAYMENT OF THE LOAN.  
7 (E) TAKE ANY OTHER ACTION NECESSARY TO RECEIVE, SECURE, OR  
8 REPAY A LOAN UNDER THIS ACT.

9 Sec. 3. (1) Except as provided in subsection (2), the board  
10 shall not authorize loans under this act to municipalities  
11 ~~which~~ THAT total an amount greater than \$5,000,000.00 in ~~any~~  
12 ~~1~~ A STATE fiscal year. ~~of the state.~~

13 (2) THE BOARD MAY AUTHORIZE LOANS UNDER THIS ACT TO A COUNTY  
14 WITHIN THE FOLLOWING LIMITATIONS:

15 (A) ~~(2)~~ In the ~~1987-88~~ 1998-99 state fiscal year, the  
16 board may authorize loans under this act to a county with a popu-  
17 lation greater than 1,500,000. ~~in an amount not greater than~~  
18 ~~\$120,000,000.00.~~

19 (B) FOR A STATE FISCAL YEAR IN WHICH THE BLOCK GRANT APPRO-  
20 PRIATED TO A COUNTY WITH A POPULATION OF MORE THAN 1,500,000 THAT  
21 IS ORGANIZED UNDER 1966 PA 293, MCL 45.501 TO 45.521, AND THAT IS  
22 A COUNTY JUVENILE AGENCY IS LESS THAN THE AMOUNT REQUIRED TO BE  
23 DISTRIBUTED TO THAT COUNTY IN THAT YEAR UNDER THE SOCIAL WELFARE  
24 ACT, 1939 PA 280, MCL 400.1 TO 400.119B, THE BOARD MAY AUTHORIZE  
25 A LOAN TO THAT COUNTY IN AN AMOUNT NOT GREATER THAN THE DIFFER-  
26 ENCE BETWEEN THE AMOUNT OF THE BLOCK GRANT AND THE AMOUNT  
27 REQUIRED TO BE DISTRIBUTED TO THAT COUNTY FOR THAT FISCAL YEAR

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1 UNDER THE SOCIAL WELFARE ACT, 1939 PA 280, MCL 400.1 TO  
2 400.119B. THE BOARD IS NOT REQUIRED TO AUTHORIZE LOANS UNDER  
3 THIS SUBDIVISION TO A COUNTY FOR MORE THAN 1 STATE FISCAL YEAR.  
4 (3) IF IN A STATE FISCAL YEAR THE BLOCK GRANT APPROPRIATED  
5 TO A COUNTY OTHER THAN A COUNTY DESCRIBED IN SUBSECTION (2) THAT  
6 IS A COUNTY JUVENILE AGENCY IS LESS THAN THE AMOUNT REQUIRED TO  
7 BE DISTRIBUTED TO THAT COUNTY IN THAT YEAR UNDER THE SOCIAL WEL-  
8 FARE ACT, 1939 PA 280, MCL 400.1 TO 400.119B, THE BOARD MAY  
9 AUTHORIZE A LOAN TO THAT COUNTY IN AN AMOUNT NOT GREATER THAN THE  
10 DIFFERENCE BETWEEN THE AMOUNT OF THE BLOCK GRANT AND THE AMOUNT  
11 REQUIRED TO BE DISTRIBUTED TO THAT COUNTY UNDER THE SOCIAL WEL-  
12 FARE ACT, 1939 PA 280, MCL 400.1 TO 400.119B, IN THAT STATE  
13 FISCAL YEAR.

14 (4) SECTIONS 6(2), 7, AND 8 AND THE CONDITIONS LISTED IN  
15 SECTION 4(1) DO NOT APPLY TO A LOAN AUTHORIZED UNDER SUBSECTION  
16 (2) OR (3).

17 (5) THE PROCEEDS OF A LOAN MADE UNDER SUBSECTION (2) OR (3)  
18 SHALL BE MAINTAINED IN A SEPARATE ACCOUNT AND SHALL NOT BE COMIN-  
19 GLED WITH THE COUNTY'S GENERAL FUND OR ANY OTHER SPECIAL FUND OR  
20 ACCOUNT.

21 (6) THE STATE TREASURER OR HIS OR HER DESIGNEE SHALL MONITOR  
22 THE EXPENDITURE OF THE PROCEEDS OF ANY LOAN MADE UNDER SUBSECTION  
23 (2) OR (3).

24 (7) THE PROCEEDS OF A LOAN MADE UNDER SUBSECTION (2) OR (3)  
25 ARE SUBJECT TO THE REQUIREMENTS OF THE COUNTY JUVENILE AGENCY  
26 ACT.

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1       (8) ~~(3)~~ Revenue for loans made ~~pursuant to~~ UNDER this  
2 act shall be provided from the surplus funds of this state  
3 ~~pursuant to~~ UNDER authorization granted under section 1 of ~~Act~~  
4 ~~No. 105 of the Public Acts of 1855, being section 21.141 of the~~  
5 ~~Michigan Compiled Laws~~ 1855 PA 105, MCL 21.141.

6       (9) AS USED IN THIS SECTION, "COUNTY JUVENILE AGENCY" MEANS  
7 THAT TERM AS DEFINED IN SECTION 2 OF THE COUNTY JUVENILE AGENCY  
8 ACT.

9       Sec. 4. (1) If the governing body of a municipality desires  
10 to request a loan, it shall provide by resolution for the submis-  
11 sion of an application to the board for a loan made ~~pursuant to~~  
12 UNDER this act. The municipality shall certify and substantiate  
13 all of the following information and conditions to be eligible  
14 for consideration for a loan authorization by the board:

15       (a) A deficit for the municipality's general fund is  
16 projected for the current fiscal year.

17       (b) The municipality has applied to the department of trea-  
18 sury, within a period of not more than 6 months before its appli-  
19 cation for a loan under this act, for permission to issue tax  
20 anticipation notes or revenue sharing anticipation notes  
21 ~~pursuant to~~ UNDER the municipal finance act, ~~Act No. 202 of~~  
22 ~~the Public Acts of 1943, as amended, being sections 131.1 to~~  
23 ~~139.3 of the Michigan Compiled Laws~~ 1943 PA 202, MCL 131.1 TO  
24 139.3, and the department of treasury has acted upon the  
25 application. This subdivision shall be considered to have been  
26 complied with if, pursuant to section 11 of chapter III of ~~Act~~  
27 ~~No. 202 of the Public Acts of 1943, being section 133.11 of the~~

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1 ~~Michigan Compiled Laws~~ THE MUNICIPAL FINANCE ACT, 1943 PA 202,  
2 MCL 131.11, the municipality, within a period of not more than 6  
3 months before its application for a loan under this act, has  
4 filed for an exception from prior approval for the issuance of  
5 tax anticipation notes or revenue sharing anticipation notes and  
6 has been eligible to issue ~~such~~ THOSE notes without the prior  
7 approval of the department of treasury.

8 (c) The municipality meets 1 or more of the following  
9 conditions:

10 (i) Its income tax revenue growth rate is .90 or less.

11 (ii) Its local tax base growth rate is 75% or less of the  
12 statewide tax base growth rate.

13 (iii) The state equalized valuation of real and personal  
14 property within the municipality at the time the loan application  
15 is made is less than the state equalized valuation of real and  
16 personal property within the municipality in the immediately pre-  
17 ceding year.

18 (d) The municipality submits a long-range plan, that has  
19 been approved by the governing body of the municipality, outlin-  
20 ing actions to be taken to balance future expenditures with  
21 anticipated revenues.

22 (2) If the board determines it necessary, the board may  
23 inspect, copy, or audit the books and records of a municipality.

24 (3) SUBSECTION (1) DOES NOT APPLY TO A LOAN AUTHORIZED UNDER  
25 SECTION 3(2) OR (3).

26 Sec. 6. (1) A loan made under this act shall bear an annual  
27 rate or rates of interest, if any, as established by the board

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1 ~~pursuant to section 2(4)~~ UNDER SECTION 2(5). The board may  
2 establish interest for a loan under this act either at a rate or  
3 rates that are fixed for the term of the loan or, if the formula  
4 is approved by the board at the time the loan is made or renego-  
5 tiated as authorized in section 2, at a rate calculated upon a  
6 formula that varies the rate annually. If the interest rate for  
7 a loan under this act is a single fixed rate, the annual rate of  
8 interest for the term of a loan shall not exceed the average rate  
9 of interest earned at the time the loan is approved by the board  
10 on the investment of surplus funds, other than those surplus  
11 funds invested under this act and section 1 of ~~Act No. 105 of~~  
12 ~~the Public Acts of 1855, being section 21.141 of the Michigan~~  
13 ~~Compiled Laws~~ 1855 PA 105, MCL 21.141.

14 (2) Interest payments ~~shall become~~ ARE due and payable  
15 annually, beginning 1 year after the loan is issued to the  
16 municipality. Notes of indebtedness executed to the state by a  
17 municipality for a loan made under this act shall not require  
18 payment of principal until 10 years after the loan is issued to  
19 the municipality. Repayment of the principal shall be made in  
20 not less than 10 equal annual installments, except as provided in  
21 subsection (5). This subsection, ~~and~~ SECTIONS 7 AND 8, AND THE  
22 CONDITIONS LISTED IN section ~~4(1)(b) and (c)~~ 4(1) do not apply  
23 to a loan authorized ~~by~~ UNDER section 3(2) OR (3). ~~Unless~~  
24 ~~waived by the board or unless reports and information are~~  
25 ~~required by an order of the board to be submitted on a reasonable~~  
26 ~~date or schedule different than required by section 7, the~~

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1 ~~requirements of section 7 shall apply to a loan authorized by~~  
2 ~~section 3(2).~~

3       (3) The loan agreement between the board and a county ~~on~~  
4 FOR a loan authorized ~~by~~ UNDER section 3(2) OR (3) shall estab-  
5 lish the schedule for payment of the principal of and interest on  
6 the loan, the nature of the obligation of the county to repay a  
7 loan made under this act, and any security for that loan.  
8 Payments of principal AND INTEREST for a loan authorized by sec-  
9 tion 3(2) ~~may~~ SHALL be limited ~~by the board, at its~~  
10 ~~discretion,~~ to revenues allocated to the county under ~~Act~~  
11 ~~No. 264 of the Public Acts of 1987, being sections 141.471 to~~  
12 ~~141.479 of the Michigan Compiled Laws~~ THE HEALTH AND SAFETY FUND  
13 ACT, 1987 PA 264, MCL 141.471 TO 141.479, minus those revenues  
14 authorized by the board in the loan agreement for use in the pay-  
15 ment of other county obligations. ~~The loan agreement shall pro-~~  
16 ~~vide that the county shall pay 10% annual interest on the loan~~  
17 ~~except that the interest is waived in each year that the county~~  
18 ~~meets and the state administrative board, created under Act No. 2~~  
19 ~~of the Public Acts of 1921, being sections 17.1 to 17.3 of the~~  
20 ~~Michigan Compiled Laws, certifies that the county has met all of~~  
21 ~~the following conditions:~~

22       (a) ~~The county establishes and operates a patient care man-~~  
23 ~~agement system as provided in section 66j of the social welfare~~  
24 ~~act, Act No. 280 of the Public Acts of 1939, being section~~  
25 ~~400.66j of the Michigan Compiled Laws.~~

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1       ~~(b) The county complies with the local government fiscal~~  
2 ~~responsibility act, Act No. 101 of the Public Acts of 1988, being~~  
3 ~~sections 141.1101 to 141.1118 of the Michigan Compiled Laws.~~

4       ~~(c) If a county official is appointed to the council on~~  
5 ~~intergovernmental relations created under chapter 8 of the legis-~~  
6 ~~lative council act, Act No. 268 of the Public Acts of 1986, being~~  
7 ~~sections 4.1801 to 4.1807 of the Michigan Compiled Laws, the~~  
8 ~~appointed county official participates in the council on inter-~~  
9 ~~governmental relations.~~

10       ~~(d) The county meets scheduled payments to reduce the~~  
11 ~~county's accumulated debt to all parties other than the state.~~

12       ~~(e) The county maintains a balanced operating budget.~~

13       ~~(f) The county contributes the county's 10% share and makes~~  
14 ~~appropriate payment to the state for community mental health~~  
15 ~~services as provided in the mental health code, Act No. 258 of~~  
16 ~~the Public Acts of 1974, being sections 330.1001 to 330.2106 of~~  
17 ~~the Michigan Compiled Laws.~~

18       ~~(g) The county complies with the terms and conditions of the~~  
19 ~~loan agreement for the loan authorized by section 3(2).~~

20       (4) Unless other state appropriations to a municipality are  
21 pledged or assigned in an amount sufficient for the municipality  
22 to make a required principal or interest payment, if the  
23 municipality's payment of required principal or interest is  
24 delinquent, the state treasurer shall withhold the amount of all  
25 delinquent payments that are due on a loan issued under this act  
26 from state payments to the municipality under the state revenue  
27 sharing act of 1971, ~~Act No. 140 of the Public Acts of 1971, as~~

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1 ~~amended, being sections 141.901 to 141.921 of the Michigan~~  
2 ~~Compiled Laws— 1971 PA 140, MCL 141.901 TO 141.921.~~

3       (5) Notwithstanding the payment schedules and methods estab-  
4 lished by this section or by the terms of a loan agreement, a  
5 municipality may initiate repayment of all or part of a loan made  
6 under this act at an earlier date or may make repayment in fewer  
7 installment payments, or both. The board shall not condition  
8 either eligibility for consideration for a loan or the grant of a  
9 loan under this act on repayment schedules and terms other than  
10 those required by subsections (1), (2), ~~3~~ (3), and (4). In  
11 addition, failure of a municipality to make repayments under  
12 terms or a schedule it has instituted under this subsection does  
13 not disqualify the municipality from eligibility for considera-  
14 tion for loans in subsequent fiscal years.

15       (6) A loan issued under this act shall be a general obliga-  
16 tion of the municipality except that ~~the principal of~~ a loan  
17 issued under section 3(2) ~~may be repaid~~ SHALL NOT BE A GENERAL  
18 OBLIGATION OF THE MUNICIPALITY AND SHALL BE REPAYED SOLELY from  
19 specific revenues ~~if authorized by the board and then only the~~  
20 ~~interest obligation is required to be a general obligation of the~~  
21 ~~county~~ PLEDGED FOR REPAYMENT OF THE LOAN.

22       Sec. 7. (1) A municipality ~~which~~ THAT receives a loan  
23 ~~pursuant to~~ UNDER this act shall perform all of the following:

24       (a) Employ a full-time professional administrator to direct  
25 or participate directly in the management of the municipality's  
26 operations until otherwise ordered by the board.

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1 (b) Not more than 6 months after receiving a loan and  
2 semiannually after that date for the period the loan is  
3 outstanding, submit to the board an evaluation of the performance  
4 of the municipality against the long-range plan submitted under  
5 section 4(1).

6 (c) Submit all of the following to the board on a quarterly  
7 basis:

8 (i) A statement of actual revenues received in the last  
9 quarter and in the current fiscal year to date.

10 (ii) A statement of total revenues estimated to be received  
11 by the municipality in the current fiscal year.

12 (iii) A statement of expenditures made and encumbrances  
13 entered into by the municipality in the last quarter and in the  
14 current fiscal year to date.

15 (iv) A statement of revenues ~~which had been~~ THAT WERE  
16 estimated to be received and expenditures ~~which had been~~ THAT  
17 WERE estimated to be made during the current fiscal year and  
18 through the end of the last quarter.

19 (v) A balance sheet indicating whether total estimated  
20 expenditures for the current fiscal year and for the last quarter  
21 ~~have exceeded~~ EXCEED the total estimated revenues for the cur-  
22 rent fiscal year and for the last quarter, respectively.

23 (d) Submit the general appropriations act of the municipali-  
24 ty, and any amendments to that act, adopted ~~pursuant to~~ UNDER  
25 the uniform budgeting and accounting act, ~~Act No. 2 of the~~  
26 ~~Public Acts of 1968, as amended, being sections 141.421 to~~  
27 ~~141.440a of the Michigan Compiled Laws~~ 1968 PA 2, MCL 141.421 TO

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1 141.440A, or any equivalent report as may be required by the  
2 board if the municipality is not required to adopt a general  
3 appropriations act.

4 (e) Submit any budget change in the current fiscal year or  
5 any amendment to ~~its~~ THE general appropriations act OF THE  
6 MUNICIPALITY for the current fiscal year to the board before  
7 adoption.

8 (f) Submit any budget for the ensuing fiscal year or ~~its~~  
9 THE general appropriations act OF THE MUNICIPALITY for the ensu-  
10 ing fiscal year to the board before adoption.

11 (g) Certify that the municipality has fully complied with  
12 all statutory requirements concerning use of the uniform chart of  
13 accounts and audits.

14 (2) As used in this section, "expenditure" and "revenue"  
15 mean those terms as defined in ~~Act No. 2 of the Public Acts of~~  
16 ~~1968, as amended~~ SECTIONS 2C AND 2D OF THE UNIFORM BUDGETING AND  
17 ACCOUNTING ACT, 1968 PA 2, MCL 141.422C AND 141.422D.

18 (3) SUBSECTION (1) DOES NOT APPLY TO A LOAN AUTHORIZED UNDER  
19 SECTION 3(2) OR (3).

20 Sec. 8. (1) In addition to the requirements of section 4,  
21 to be eligible for consideration for a fiscal year loan under  
22 this act after having qualified for and received the first or any  
23 subsequent fiscal year loan under this act, a municipality shall  
24 satisfy all of the following requirements:

25 (a) Fulfilled the requirements of section 7.

26 (b) Submitted a progress report to the board detailing the  
27 steps ~~which~~ THAT have been taken to achieve the long-range plan

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1 submitted pursuant to section 4(1) and the management measures  
2 ~~which~~ THAT have been taken to improve fiscal management of the  
3 municipality.

4 (c) Satisfy the board that reasonable progress has been made  
5 to resolve any federal discrimination suit pending against the  
6 municipality.

7 (2) SUBSECTION (1) DOES NOT APPLY TO A LOAN AUTHORIZED UNDER  
8 SECTION 3(2) OR (3).

9 Enacting section 1. This amendatory act does not take  
10 effect unless all of the following bills of the 89th Legislature  
11 are enacted into law:

12 (a) Senate Bill No. 1183.

13 (b) Senate Bill No. 1184.

14 (c) Senate Bill No. 1185.

15 (d) Senate Bill No. 1186.

16 (e) Senate Bill No. 1187.

17 (f) Senate Bill No. 1197.