

HOUSE SUBSTITUTE FOR
SENATE BILL NO. 863

A bill to amend 1980 PA 243, entitled
"Emergency municipal loan act,"
by amending section 4 (MCL 141.934), as amended by 1998 PA 528.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 4. (1) If the governing body of a municipality desires
2 to request a loan, it shall provide by resolution for the submis-
3 sion of an application to the board for a loan made under this
4 act. The municipality shall certify and substantiate all of the
5 following information and conditions to be eligible for consider-
6 ation for a loan authorization by the board:

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

9 (b) ~~The municipality has applied to the department of~~
10 ~~treasury, within a period of not more than 6 months before its~~
11 ~~application for a loan under this act, for permission to issue~~

SB863, As Passed House, May 9, 2002

Senate Bill No. 863

2

~~1 tax anticipation notes or revenue sharing anticipation notes
2 under the municipal finance act, 1943 PA 202, MCL 131.1 to 139.3,
3 and the department of treasury has acted upon the application.
4 This subdivision shall be considered to have been complied with
5 if, pursuant to section 11 of chapter III of the municipal
6 finance act, 1943 PA 202, MCL 131.11, the municipality, within a
7 period of not more than 6 months before its application for a
8 loan under this act, has filed for an exception from prior
9 approval for the issuance of tax anticipation notes or revenue
10 sharing anticipation notes and has been eligible to issue those
11 notes without the prior approval of the department of treasury.~~

12 THAT 1 OR BOTH OF THE FOLLOWING HAVE OCCURRED WITHIN THE 6 MONTHS
13 IMMEDIATELY PRECEDING THE LOAN REQUEST:

14 (i) THE MUNICIPALITY HAS ISSUED TAX ANTICIPATION NOTES OR
15 REVENUE SHARING NOTES UNDER THE REVISED MUNICIPAL FINANCE ACT,
16 2001 PA 34, MCL 141.2101 TO 141.2821.

17 (ii) THE DEPARTMENT OF TREASURY HAS ACTED UPON A REQUEST BY
18 THE MUNICIPALITY TO ISSUE TAX ANTICIPATION NOTES OR REVENUE SHAR-
19 ING NOTES UNDER THE REVISED MUNICIPAL FINANCE ACT, 2001 PA 34,
20 MCL 141.2101 TO 141.2821.

21 (c) The municipality meets 1 or more of the following
22 conditions:

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

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

26 (iii) The state equalized valuation of real and personal
27 property within the municipality at the time the loan application

SB863, As Passed House, May 9, 2002

Senate Bill No. 863

3

1 is made is less than the state equalized valuation of real and
2 personal property within the municipality in the immediately pre-
3 ceding year.

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

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

10 (3) Subsection (1) does not apply to a loan authorized under
11 section 3(2) or (3).