

SENATE BILL No. 909

November 20, 2007, Introduced by Senator SCOTT and referred to the Committee on Local, Urban and State Affairs.

A bill to amend 1980 PA 243, entitled
"Emergency municipal loan act,"
by amending sections 4 and 5 (MCL 141.934 and 141.935), section 4
as amended by 2002 PA 405 and section 5 as amended by 1987 PA 282.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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

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

9 (b) That 1 or both of the following have occurred within the 6

1 months immediately preceding the loan request:

2 (i) The municipality has issued tax anticipation notes or
3 revenue sharing notes under the revised municipal finance act, 2001
4 PA 34, MCL 141.2101 to 141.2821.

5 (ii) The department of treasury has acted upon a request by the
6 municipality to issue tax anticipation notes or revenue sharing
7 notes under the revised municipal finance act, 2001 PA 34, MCL
8 141.2101 to 141.2821.

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

11 (i) Its income tax revenue growth rate is .90 or less, **OR THE**
12 **MUNICIPALITY HAS 2 OR MORE EMERGENCY LOANS OUTSTANDING AT THE TIME**
13 **ITS APPLICATION IS SUBMITTED AND ITS INCOME TAX REVENUE GROWTH RATE**
14 **IS 1.3 OR LESS.**

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

17 (iii) The state equalized valuation of real and personal
18 property within the municipality at the time the loan application
19 is made is less than the state equalized valuation of real and
20 personal property within the municipality in the immediately
21 preceding year.

22 (d) The municipality submits a long-range plan, that has been
23 approved by the governing body of the municipality, outlining
24 actions to be taken to balance future expenditures with anticipated
25 revenues.

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

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

3 Sec. 5. Except for a county subject to section 3(2), the board
4 may authorize loans to any 1 municipality in an amount not to
5 exceed ~~\$1,000,000.00~~ **\$3,000,000.00** in any 1 fiscal year of the
6 municipality. Except for a county subject to section 3(2), a
7 municipality is not eligible to receive loans in more than 5 fiscal
8 years in any 10-year period.