

HOUSE BILL NO. 4342

April 17, 2025, Introduced by Reps. DeSana, Thompson, Johnsen, Rigas, Hoadley, Kunse, Robinson, Schuette, Fox, Alexander, Schriver, Wozniak, Paquette, Maddock, Meerman, Cavitt and Bruck and referred to Committee on Government Operations.

A bill to amend 1971 PA 140, entitled
"Glenn Steil state revenue sharing act of 1971,"
by amending section 21 (MCL 141.921), as added by 1980 PA 275.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 21. (1) If a city, village, township, or county fails to
2 provide an annual financial report or audit ~~which~~**that** conforms
3 with the minimum procedures and standards prescribed by the state
4 treasurer and is required under ~~Act No. 2 of the Public Acts of~~
5 ~~1968, as amended, being sections 141.421 to 141.440a of the~~

1 ~~Michigan Compiled Laws, or Act No. 71 of the Public Acts of 1919,~~
2 ~~being sections 21.41 to 21.53 of the Michigan Compiled Laws, the~~
3 **uniform budgeting and accounting act, 1968 PA 2, MCL 141.421 to**
4 **141.440a, or 1919 PA 71, MCL 21.41 to 21.55,** the payments required
5 under this act may be withheld until the financial report or audit
6 is submitted as required by law.

7 (2) For a fiscal year of a unit of local government ending on
8 or after October 1, 1980 or any year thereafter, if a local unit of
9 government ends its fiscal year in a deficit condition, the local
10 unit of government shall formulate and file a financial plan within
11 90 days after the beginning of the fiscal year to correct this
12 condition. Upon request of a local unit of government, the
13 department of treasury may assist that local unit in the
14 formulation of the financial plan to correct the deficit condition.
15 The local unit of government shall file the financial plan with the
16 department of treasury for evaluation and certification that the
17 plan ensures that the deficit condition is corrected. Upon
18 certification by the department of treasury, the local unit of
19 government shall institute the plan. An amount equal to 25% of each
20 payment to a local unit of government entitled to payments under
21 this act may be withheld until requirements of this subsection are
22 met.

23 (3) The department of treasury shall notify each house of the
24 legislature of any local unit of government that fails to provide a
25 financial report or an audit required by subsection (1) and of any
26 local unit of government required to file a financial plan under
27 subsection (2).

28 (4) **For each fiscal year beginning on and after October 1,**
29 **2025, if a city, village, township, or county enacts or enforces a**

1 law, ordinance, policy, or rule that violates the local government
2 sanctuary policy prohibition act or the county law enforcement
3 protection act, the state treasurer shall withhold any payment the
4 city, village, township, or county is eligible to receive under
5 this act for as long as the city, village, township, or county
6 continues to enforce that law, ordinance, policy, or rule.

7 (5) ~~(4)~~—As used in this section, "deficit condition" means a
8 situation where, at the end of a fiscal year, total expenditures,
9 including an accrued deficit, exceeded total revenues for that
10 fiscal year, including any surplus carried forward.

11 Enacting section 1. This amendatory act does not take effect
12 unless all of the following bills of the 103rd Legislature are
13 enacted into law:

14 (a) House Bill No. 4338 (request no. H00123'25).

15 (b) House Bill No. 4339 (request no. H00124'25).