

EMERGENCY MUNICIPAL LOAN ACT (EXCERPT)
Act 243 of 1980

141.937 Duties of municipality receiving loan; failure to comply with subsection (1) and 5-year plan; definitions; exception.

Sec. 7. (1) A municipality that receives a loan under this act shall perform all of the following:

(a) Except as otherwise provided in this subdivision, employ a full-time professional administrator or contract with a person with expertise in municipal finance and administration to direct or participate directly in the management of the municipality's operations until otherwise ordered by the board. If the municipality is in receivership under the local financial stability and choice act, 2012 PA 436, MCL 141.1541 to 141.1575, or a successor statute, the emergency manager may perform the functions of the full-time professional administrator under this subdivision.

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

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

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

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

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

(iv) A statement of revenues that were estimated to be received and expenditures that were estimated to be made during the current fiscal year and through the end of the last quarter.

(v) A balance sheet indicating whether total estimated expenditures for the current fiscal year and for the last quarter exceed the total estimated revenues for the current fiscal year and for the last quarter, respectively.

(d) Submit the general appropriations act of the municipality, and any amendments to that act, adopted under the uniform budgeting and accounting act, 1968 PA 2, MCL 141.421 to 141.440a, or any equivalent report as may be required by the board if the municipality is not required to adopt a general appropriations act.

(e) Submit any budget change in the current fiscal year or any amendment to the general appropriations act of the municipality for the current fiscal year to the board before adoption.

(f) Submit any budget for the ensuing fiscal year or the general appropriations act of the municipality for the ensuing fiscal year to the board before adoption.

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

(2) If the state treasurer determines that a municipality is not in compliance with all of the requirements under subsection (1) and with the 5-year plan submitted under section 4(1), the state treasurer may modify the terms of the loan to require a higher interest rate or to accelerate the repayment of the loan.

(3) As used in this section, "expenditure" and "revenue" mean those terms as defined in sections 2c and 2d of the uniform budgeting and accounting act, 1968 PA 2, MCL 141.422c and 141.422d.

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

History: 1980, Act 243, Imd. Eff. July 24, 1980;—Am. 1980, Act 324, Imd. Eff. Dec. 15, 1980;—Am. 1986, Act 6, Imd. Eff. Feb. 21, 1986;—Am. 1998, Act 528, Imd. Eff. Jan. 12, 1999;—Am. 2012, Act 284, Imd. Eff. Aug. 1, 2012;—Am. 2015, Act 115, Imd. Eff. July 7, 2015.