

1999 PUBLIC AND LOCAL ACTS

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[No. 142]

(HB 4244)

AN ACT to amend 1968 PA 2, entitled "An act to provide for the formulation and establishment of uniform charts of accounts and reports in local units of government; to define local units of government; to provide for the examination of the books and accounts of local units of government; to provide for annual financial reports from local units of government; to provide for the administration of this act; to prescribe the powers and duties of the state treasurer, the attorney general, the library of Michigan and depository libraries, and other officers and entities; to provide penalties for violation of certain requirements of this act; to provide for meeting the expenses authorized by this act; to provide a uniform budgeting system for local units; and to prohibit deficit spending by a local unit of government," by amending section 2d (MCL 141.422d), as amended by 1996 PA 401.

*The People of the State of Michigan enact:*

141.422d Definitions; D to S. [M.S.A. 5.3228(22d)]

Sec. 2d. (1) "Depository library" means a depository library designated under section 10 of the library of Michigan act, 1982 PA 540, MCL 397.20.

(2) "Legislative body" means any of the following:

(a) The council, commission, or other entity vested with the legislative power of a village.

(b) The council or other entity vested with the legislative power of a city.

(c) The board of education of a local school district.

(d) The board of education of an intermediate school district.

(e) The township board of a township.

(f) The county board of commissioners of a county.

(g) The board of county road commissioners of a county.

(h) The official body to which is granted general governing powers over an authority or organization of government established by law that may issue obligations pursuant to the municipal finance act, 1943 PA 202, MCL 131.1 to 139.3, and that either may levy a property tax or may expend funds of the authority or organization. As used in this act, legislative body does not include an intermunicipality committee established under 1957 PA 200, MCL 123.631 to 123.636.

(3) "Library of Michigan" means the library of Michigan created under section 3 of the library of Michigan act, 1982 PA 540, MCL 397.13.

(4) "Local unit" does not include an intermunicipality committee established under 1957 PA 200, MCL 123.631 to 123.636. Except as used in sections 14 to 20a, local unit means a village, city, or township or an authority or commission established by a county, village, city, or township ordinance or charter. As used in sections 14 to 20a, local unit means any of the following:

(a) A village.

(b) A city.

(c) A local school district.

(d) An intermediate school district.

(e) A township.

(f) A county.

1999 PUBLIC AND LOCAL ACTS

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(g) A county road commission.

(h) An authority or organization of government established by law that may issue obligations pursuant to the municipal finance act, 1943 PA 202, MCL 131.1 to 139.3, and that either may levy a property tax or may expend funds of the authority or organization.

(5) "Local school district" means the following:

(a) Unless included in subdivision (b) or (c), a school district or local act school district as defined under the revised school code, 1976 PA 451, MCL 380.1 to 380.1852.

(b) After December 15, 1981, a school district or local act school district as defined under the revised school code, 1976 PA 451, MCL 380.1 to 380.1852, which levied 35.75 mills, 34.83 mills, 28 mills, 31.2155 mills, 24.19 mills, 22.6027 mills, or 27.90 mills for operating purposes in 1979-80, and operated under a deficit budget for its 1980-81 fiscal year. Once a school district is considered a local school district pursuant to this subdivision or subdivision (c), the chief administrative officer shall comply, if necessary, with the requirements of section 17 and the local school district shall amend, if necessary, its budget or general appropriations act to conform with the requirements of section 16.

(c) After December 15, 1981, any school district or local act school district as defined under the revised school code, 1976 PA 451, MCL 380.1 to 380.1852, that meets all of the following criteria:

(i) A deficit in excess of \$150,000.00 was incurred as of June 30, 1980.

(ii) A deficit in excess of \$300,000.00 was anticipated for the fiscal year of the school district ending June 30, 1981.

(6) "Revenue" means an addition to the assets of a fund that does not increase a liability, does not represent the recovery of an expenditure, does not represent the cancellation of a liability without a corresponding increase in any other liability or a decrease in assets, and does not represent a contribution of fund capital in enterprise or in intragovernmental service funds.

(7) "Surplus" means an excess of the assets of a fund over its liabilities and reserves.

Conditional effective date.

Enacting section 1. This amendatory act does not take effect unless House Bill No. 4609 of the 90th Legislature is enacted into law.

This act is ordered to take immediate effect.

Approved October 22, 1999.

Filed with Secretary of State October 22, 1999.

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**Compiler's note:** House Bill No. 4609, referred to in enacting section 1, was filed with the Secretary of State October 22, 1999, and became P.A. 1999, No. 143, Imd. Eff. Oct. 22, 1999.

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