

Act No. 198
Public Acts of 2007
Approved by the Governor
December 20, 2007
Filed with the Secretary of State
December 21, 2007
EFFECTIVE DATE: December 21, 2007

**STATE OF MICHIGAN
94TH LEGISLATURE
REGULAR SESSION OF 2007**

**Introduced by Reps. Johnson, Jackson, Constan, Cushingberry, Gonzales, Hammel, Virgil Smith, Hood,
Lemmons, Garfield, Stahl and Cheeks**

ENROLLED HOUSE BILL No. 5449

AN ACT to amend 1980 PA 243, entitled "An act to provide emergency financial assistance for certain municipalities; to create a local emergency financial assistance loan board and to prescribe the powers and duties of this board; to prescribe conditions for granting and receiving loans, to prescribe terms and conditions for the repayment of loans, and to allow the limiting of repayment by a county from specified revenue sources; to impose certain requirements and duties on certain state departments, municipalities of this state, and officials of the state and municipalities of this state; and to prescribe remedies and penalties," 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:

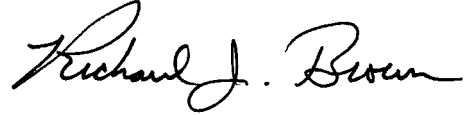
Sec. 4. (1) If the governing body of a municipality desires to request a loan, it shall provide by resolution for the submission of an application to the board for a loan made under this act. The municipality shall certify and substantiate all of the following information and conditions to be eligible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

- (a) A deficit for the municipality's general fund is projected for the current fiscal year.
- (b) That 1 or both of the following have occurred within the 6 months immediately preceding the loan request:
 - (i) The municipality has issued tax anticipation notes or revenue sharing notes under the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.
 - (ii) The department of treasury has acted upon a request by the municipality to issue tax anticipation notes or revenue sharing notes under the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.
- (c) The municipality meets 1 or more of the following conditions:
 - (i) Its income tax revenue growth rate is .90 or less, or the municipality has 2 or more emergency loans outstanding at the time its application is submitted and its income tax revenue growth rate is 1.3 or less.
 - (ii) Its local tax base growth rate is 75% or less of the statewide tax base growth rate.
 - (iii) The state equalized valuation of real and personal property within the municipality at the time the loan application is made is less than the state equalized valuation of real and personal property within the municipality in the immediately preceding year.
- (d) The municipality submits a long-range plan, that has been approved by the governing body of the municipality, outlining actions to be taken to balance future expenditures with anticipated revenues.

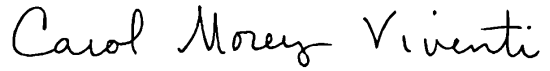
- (2) If the board determines it necessary, the board may inspect, copy, or audit the books and records of a municipality.
- (3) Subsection (1) does not apply to a loan authorized under section 3(2) or (3).

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

This act is ordered to take immediate effect.



Clerk of the House of Representatives



Secretary of the Senate

Approved

Governor