

MICHIGAN MUNICIPAL DISTRIBUTABLE AID BOND ACT (EXCERPT)
Act 97 of 1981

***** 141.1023 THIS SECTION IS REPEALED BY ACT 300 OF 2002 EFFECTIVE JANUARY 1, 2010

141.1023 Application by governing body to make obligations eligible to participate under act; resolution; investigation; annual audit; independent auditor; filing copies with state treasurer; failure to file report or appoint independent auditor.

Sec. 3. (1) Whenever the governing body determines, in accordance with law, to incur or issue obligations, or determines that it is required by law to incur an obligation or that it is necessary or desirable in connection with obligations issued prior to the effective date of this act, to make those prior issued obligations eligible to participate under this act, or both, the municipality's financial officer with the approval by resolution of the governing body may file an application and a certified copy of the resolution with the commission to make the obligations eligible to participate under this act, except for obligations issued under the fiscal stabilization act for which the municipality's financial officer shall file an application and a certified copy of the resolution, issued by the municipality pursuant to the fiscal stabilization act, with the commission to make the obligations eligible to participate under this act.

(2) Upon the receipt of the application, the director shall make an investigation to determine if the obligations meet the requirements for participation under this act. The commission shall certify, by order, the eligibility of the obligations if it is satisfied that the obligations meet the requirements for eligibility under this act.

(3) The municipality's financial officer shall annually file an annual final independent audit with the state treasurer when distributable aid obligations are outstanding. The municipality shall appoint an independent auditor not later than 15 days before the close of the fiscal year to be audited. The audit shall be in accordance with the accounting methods of Act No. 2 of the Public Acts of 1968, as amended, being sections 141.421 to 141.440a of the Michigan Compiled Laws, and shall completely set forth the financial operations of the municipality for the fiscal year audited. The audit required by this subsection shall be filed not more than 30 days after its completion by the independent auditor. Failure to file the report shall not affect the validity of the eligibility of the obligation for participating under this act.

(4) The independent auditor appointed pursuant to subsection (3) shall file copies of the audit performed pursuant to subsection (3) with the state treasurer not more than 30 days after its completion.

(5) If a municipality fails to appoint an independent auditor as required by subsection (3), the state treasurer shall appoint an independent auditor to perform the audit required by subsection (3). The state treasurer shall deduct the cost of the audit from the next installment or installments of distributable aid payable to the municipality which is not required to meet the requirements of section 6.

History: 1981, Act 97, Imd. Eff. July 15, 1981.