



HOUSE BILL No. 4949

July 13, 1993, Introduced by Reps. Jaye, Dobb, Gilmer, Crissman, Bullard, Walberg, Horton, McManus, Voorhees, Galloway, Jersevic, McBryde, Shugars, Bender, Gernaat, Sikkema and Nye and referred to the Committee on Appropriations.

A bill to amend section 17a of Act No. 140 of the Public Acts of 1971, entitled as amended "State revenue sharing act of 1971," as amended by Act No. 283 of the Public Acts of 1987, being section 141.917a of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 17a of Act No. 140 of the Public Acts of
2 1971, as amended by Act No. 283 of the Public Acts of 1987, being
3 section 141.917a of the Michigan Compiled Laws, is amended to
4 read as follows:

5 Sec. 17a. (1) To the extent required by the emergency
6 municipal loan act, Act No. 243 of the Public Acts of 1980, being
7 sections 141.931 to 141.942 of the Michigan Compiled Laws, a
8 municipality granted a loan pursuant to the emergency municipal
9 loan act, Act No. 243 of the Public Acts of 1980, shall have

1 withheld from any payment the city, village, township, or county
2 is eligible to receive, an amount equivalent to any delinquent
3 payments due on the loan.

4 (2) The state treasurer may withhold all or part of any pay-
5 ment that a city, village, township, or county is eligible to
6 receive under this act to the extent the withholdings are a com-
7 ponent part of a plan, developed and implemented pursuant to
8 chapter IX of the municipal finance act, Act No. 202 of the
9 Public Acts of 1943, being sections 139.1 to 139.3 of the
10 Michigan Compiled Laws, for financing an outstanding obligation
11 upon which the municipality defaulted. Amounts withheld shall be
12 used to pay, on behalf of the city, village, township, or county,
13 unpaid amounts or subsequently due amounts, or both, of principal
14 and interest on the outstanding obligation upon which the city,
15 village, township, or county defaulted.

16 (3) The state treasurer may withhold all or part of any pay-
17 ment that a city or village is eligible to receive under this
18 act, after payment of all money owing to the city or village
19 under this act ~~which~~ THAT, ~~prior to~~ BEFORE the date of a
20 withholding under this subsection, has been pledged for the pay-
21 ment of debt service on bonds or notes or for the payment of con-
22 tractual obligations pledged for the payment of debt service on
23 bonds or notes, in an amount necessary to repay loans made to the
24 city or village pursuant to section 11(6) of Act No. 51 of the
25 Public Acts of 1951, being section 247.661 of the Michigan
26 Compiled Laws, after any deduction authorized by section 11(8) of

1 Act No. 51 of the Public Acts of 1951 has been applied for the
2 repayment of the loan.

3 (4) Under an agreement entered into by a city, village,
4 township, or county assigning all or a portion of the payment
5 that it is eligible to receive under this act to the Michigan
6 municipal bond authority or pledging that amount for payment of
7 an obligation it incurred with the Michigan municipal bond
8 authority, the state treasurer shall transmit to the Michigan
9 municipal bond authority or a trustee designated by the authority
10 the amount of the payment ~~which~~ THAT is assigned or pledged
11 under the agreement. Notwithstanding the payment dates pre-
12 scribed by this act for distributions under this act, the state
13 treasurer may advance all or part of a payment ~~which~~ THAT is
14 dedicated for distribution or for which the appropriation autho-
15 rizing the payment has been made if and to the extent, under the
16 terms of an agreement entered into by a city, village, township,
17 or county and the Michigan municipal bond authority, the payment
18 ~~which~~ THAT the city, village, township, or county is eligible
19 to receive has been assigned to or pledged for payment of an
20 obligation it incurred with the Michigan municipal bond
21 authority. This subsection does not require ~~the~~ THIS state to
22 make an appropriation to any city, village, county, or township
23 and shall not be construed as creating an indebtedness of ~~the~~
24 THIS state. Any agreement made pursuant to this subsection shall
25 contain a statement to that effect.

26 (5) The state treasurer shall withhold all or part of a
27 payment that a city, village, township, or county is eligible to

1 receive under this act to satisfy a payment due and owing to the
2 state or to a state department or agency from the city, village,
3 township, or county unless and to the extent subsection (4)
4 requires otherwise or unless the city, village, township, or
5 county has pledged payments under this act for payment on an
6 obligation issued by the municipality as approved by the state
7 treasurer.

8 (6) THE STATE TREASURER MAY WITHHOLD ALL OR PART OF A PAY-
9 MENT THAT A CITY, VILLAGE, TOWNSHIP, OR COUNTY IS ELIGIBLE TO
10 RECEIVE UNDER THIS ACT UNTIL THE CITY, VILLAGE, TOWNSHIP, OR
11 COUNTY HAS ENSURED THE DEPARTMENT OF MANAGEMENT AND BUDGET THAT
12 THE CITY, VILLAGE, TOWNSHIP, OR COUNTY SHALL COMPLY WITH THE
13 POLITICAL SUBDIVISION PENSION AND RETIREMENT PLAN CLOSURE ACT.
14 THE DEPARTMENT OF MANAGEMENT AND BUDGET SHALL NOTIFY THE STATE
15 TREASURER OF ANY CITY, VILLAGE, TOWNSHIP, OR COUNTY THAT HAS NOT
16 ENSURED THE DEPARTMENT OF MANAGEMENT AND BUDGET THAT THE CITY,
17 VILLAGE, TOWNSHIP, OR COUNTY SHALL COMPLY WITH THE POLITICAL SUB-
18 DIVISION PENSION AND RETIREMENT PLAN CLOSURE ACT UNDER THIS SUB-
19 SECTION THAT ALL OR PART OF A PAYMENT UNDER THIS ACT MAY BE
20 WITHHELD.

21 Section 2. This amendatory act shall not take effect unless
22 Senate Bill No. _____ or House Bill No. 4937 (request
23 no. 03746'93 **) of the 87th Legislature is enacted into law.