

SENATE BILL No. 831

November 29, 2001, Introduced by Senator GARCIA and referred to the Committee on Finance.

A bill to amend 1984 PA 431, entitled "The management and budget act," by amending section 389 (MCL 18.1389), as amended by 1988 PA 504.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 389. (1) The department or the department of treasury
2 may withhold all or part of any payment that a municipality is
3 entitled to receive under a budget act to the extent the with-
4 holdings are a component part of a plan, developed and imple-
5 mented ~~pursuant to chapter IX of~~ UNDER the ~~municipal finance~~
6 ~~act, Act No. 202 of the Public Acts of 1943, being sections 139.1~~
7 ~~to 139.3 of the Michigan Compiled Laws~~ REVISED MUNICIPAL FINANCE
8 ACT, 2001 PA 34, MCL 141.2101 TO 141.2821, for financing an
9 outstanding obligation upon which the municipality defaulted.
10 Amounts withheld shall be used to pay, on behalf of the

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1 municipality, unpaid amounts or subsequently due amounts, or
2 both, of principal and interest on the outstanding obligation
3 upon which the municipality defaulted.

4 (2) Within 30 days after any amount is withheld from any
5 municipality pursuant to this section, the department withholding
6 the payment shall report in writing the name of the municipality
7 and the amount ~~which~~ THAT is being withheld from that munici-
8 pality to the appropriations committees and the fiscal agencies.

9 (3) For purposes of this section, "municipality" means that
10 term as defined ~~by~~ IN section ~~2~~ of chapter I of the municipal
11 finance act, Act No. 202 of the Public Acts of 1943, being sec=
12 tion ~~131.2~~ of the Michigan Compiled Laws 3 OF THE REVISED MUNIC-
13 IPAL FINANCE ACT, 2001 PA 34, MCL 141.2103.