

SUBSTITUTE FOR
HOUSE BILL NO. 5156
(As amended October 21, 2003)

A bill to amend 1909 PA 279, entitled
"The home rule city act,"
(MCL 117.1 to 117.38) by adding section 36a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 Sec. 36a. (1) Except as otherwise provided under this
2 section, if a financial emergency exists under the local
3 government fiscal responsibility act, 1990 PA 72, MCL 141.1201 to
4 141.1291, a city may issue [financial recovery] bonds in amounts greater
 than the
5 limitations established by the city charter or this act.
- 6 (2) Any [financial recovery] bonds issued under this section are
 subject to the
7 terms and conditions approved by the local emergency financial
8 assistance loan board created under the emergency municipal loan
9 act, 1980 PA 243, MCL 141.931 to 141.942.
- 10 (3) Any [financial recovery] bonds issued under this section are not
 subject to
11 section 5(g).

House Bill No. 5156 (H-1) as amended October 21, 2003

1 (4) Notwithstanding subsection (1), the net indebtedness of a
2 city, reduced by any amounts excluded under section 4a(4), shall
3 not exceed 20% of the assessed value of the city.

 [(5) This section does not apply to municipal securities as defined
under section 103 of the revised municipal finance act, 2001 PA 34, MCL
141.2103.]