

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

\*\*\*\*\* 141.1025 THIS SECTION IS REPEALED BY ACT 300 OF 2002 EFFECTIVE JANUARY 1, 2010  
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**141.1025 Eligibility for participation; requirements; use of proceeds.**

Sec. 5. To be eligible to participate under this act:

(a) The maximum debt service on the obligations for which eligibility is sought, together with the debt service on all outstanding distributable aid obligations of the same municipality and any other pledges by the same municipality of distributable aid payable in any fiscal year, shall not exceed 50% of the average annual distributable aid received by that municipality in the 36 months preceding the date the application for eligibility is filed.

(b) Notwithstanding subdivision (a), if as a result of a change or changes in the distribution formula of all or a portion of the components of distributable aid or a change or changes in the components of distributable aid, the total amount of distributable aid to be received by a municipality will be increased or decreased, the maximum debt service on the obligations for which eligibility is sought, together with the debt service on all outstanding distributable aid obligations of the same municipality and any other pledges by the same municipality of distributable aid payable in any fiscal year, shall not exceed 50% of the estimated average annual distributable aid that would have been received by that municipality in the 36 months preceding the date the application for eligibility is filed if the changes were in effect in those years. However, the total increased maximum level of debt service on all the obligations described in the immediately preceding sentence shall not exceed 75% of the average annual distributable aid actually received by that municipality in the 36 months preceding the date the application for eligibility is filed.

(3) The proceeds of the obligations for which eligibility is sought shall be designated for any lawful use, including the funding of deficits under the fiscal stabilization act.

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