

BUDGET STABILIZATION FUND (EXCERPT)
Act 30 of 1978

141.443 Budget stabilization fund; appropriation; additional taxes prohibited; limitation; investments; disposition of excess money.

Sec. 3.

(1) Each fiscal year following the fiscal year in which a fund is created, the governing body of the municipality that created the fund may appropriate to the fund, by an ordinance or resolution adopted by a 2/3 vote of the members elected and serving, all or part of a surplus in the general fund resulting from an excess of revenue in comparison to expenses.

(2) A municipality shall not impose additional taxes producing revenue in excess of that needed for its estimated budget in order to provide for money to be appropriated to the fund.

(3) The amount of money in the fund shall not exceed either 20% of the municipality's most recent general fund budget, as originally adopted, or 20% of the average of the municipality's 5 most recent general fund budgets, as amended, whichever is less.

(4) The money in the fund may be invested as provided by law with the earnings of the fund to be returned to the municipality's general fund.

(5) If the money in the fund exceeds that permitted in subsection (3), the excess money shall be appropriated in the municipality's next general fund budget, but shall not be appropriated to the fund.

History: 1978, Act 30, Imd. Eff. Feb. 24, 1978 ;-- Am. 2016, Act 169, Eff. Sept. 7, 2016