

**EMERGENCY FINANCIAL ASSISTANCE FOR CERTAIN SCHOOL DISTRICTS (EXCERPT)**  
**Act 26 of 1982**

\*\*\*\*\* 388.815 THIS SECTION DOES NOT APPLY AFTER JUNE 30, 1994: See 388.829 \*\*\*\*\*

\*\*\*\*\* 388.815 THIS SECTION IS REPEALED BY ACT 537 OF 2016 EFFECTIVE APRIL 9, 2017 \*\*\*\*\*

**388.815 Notes; issuance; maturity; interest rate; payment; review and approval of balanced budget; repayment; monthly expenditure report.**

Sec. 5. The board of a school district receiving an emergency loan under this act shall issue notes in the amount of the emergency loan, made payable to the state, in equal annual installments, having a maturity date of not more than 10 years, plus interest beginning with the first fiscal year after receipt of the loan. The interest for the first year shall be at 14.35% per annum. Each succeeding year's interest rate shall be equal to the rate paid by the state for its general obligation short term notes in the prior state fiscal year. The notes shall be payable out of operating funds of the school district. The board shall submit its budget for review and approval to the department. This budget shall be a balanced budget and each year's budget shall include 1 of 10 equal payments required to amortize the original face amount of the loan received under this act, including the interest for that year. However, when the delinquent or delayed taxes described in section 3(1) become available, in full or in part, to the school district, the tax money shall be used solely for repayment of the outstanding balance of the loan to the extent necessary to repay the loan in full. The school district shall submit a monthly expenditure report to the department during the period when the loan is outstanding.

**History:** 1982, Act 26, Imd. Eff. Mar. 4, 1982.