

12.301 COMMUNITY DISASTER LOANS; GOVERNOR'S AUTHORITY.

Whenever, at the request of the governor, the president has declared a major disaster to exist in this state, the governor is authorized to take the following actions:

(a) Upon the governor's determination that a political subdivision of the state will suffer a substantial loss of tax and other revenues from a major disaster and has demonstrated a need for financial assistance to perform its governmental functions, the governor may apply to the federal government, on behalf of the political subdivision, for a loan, and receive and disburse the proceeds of the approved loan to the applicant political subdivision.

(b) The governor may determine the amount needed by an applicant political subdivision to restore or resume its governmental functions, and certify that amount to the federal government. No application amount may exceed 25 percent of the annual operating budget of the applicant for the fiscal year in which the major disaster occurs.

(c) The governor may recommend to the federal government, based upon the governor's review, the cancellation of all or any part of repayment when, in the first three full fiscal year period following the major disaster, the revenues of the political subdivision are insufficient to meet its operating expenses, including additional disaster-related expenses of a municipal operation character.

History: 1976 c 266 s 3; 1986 c 444; 1996 c 344 s 19