HOUSE BILL NO. 4763

June 20, 2019, Introduced by Reps. Hammoud and Yaroch and referred to the Committee on Government Operations.

A bill to amend 1855 PA 105, entitled
"An act to regulate the disposition of the surplus funds in the state treasury; to provide for the deposit of surplus funds in certain financial institutions; to lend surplus funds pursuant to loan agreements secured by certain commercial, agricultural, or industrial real and personal property; to authorize the loan of surplus funds to certain municipalities; to authorize the participation in certain loan programs; to authorize an appropriation; and to prescribe the duties of certain state agencies,"

by amending section 1 (MCL 21.141), as amended by 2015 PA 116.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:
Sec. 1. (1) The state treasurer shall make a loan from surplus funds to an eligible municipality, as municipality is defined in section 1 of the emergency municipal loan act, 1980 PA 243, MCL 141.931, if the loan is approved under the emergency municipal loan act, 1980 PA 243, MCL 141.931 to 141.942.

(2) A loan made under subsection (1) shall must comply with the requirements of the emergency municipal loan act, 1980 PA 243, MCL 141.931 to 141.942, relating to the terms, conditions, rate of interest, and amount of the loan.

(3) Upon approval of a loan by the board and execution of a note of indebtedness to this state by an authorized representative of the municipality, including, but not limited to, an emergency manager or a financial management team for the municipality if the municipality is in receivership under the local financial stability and choice act, 2012 PA 436, MCL 141.1541 to 141.1575, the state treasurer shall issue a warrant to the municipality in an amount equal to the amount of the loan.

(4) For state fiscal years beginning before October 1, 2011, the total amount of loans made from surplus funds pursuant to under this section in any 1 state fiscal year shall must not exceed $5,000,000.00 plus the amount of any loans authorized by section 3(2) of the emergency municipal loan act, 1980 PA 243, MCL 141.933. For state fiscal years beginning after September 30, 2018, the total amount of loans made from surplus funds pursuant to under this section in any 1 state fiscal year shall must not exceed $10,000,000.00 plus the amount of any loans authorized by section 3(2) of the emergency municipal loan act, 1980 PA 243, MCL 141.933, with no loan to a single municipality exceeding $4,000,000.00 in a state fiscal year. For the period beginning on October 1, 2011 and
ending on September 30, 2018, loans made from surplus funds pursuant to this section may include both of the following:

(a) Loans to municipalities other than school districts in amounts authorized under section 3(1)(a) of the emergency municipal loan act, 1980 PA 243, MCL 141.933.

(b) Loans to school districts in amounts authorized under section 3(1)(b) of the emergency municipal loan act, 1980 PA 243, MCL 141.933.

(5) The state treasurer may sell, assign, transfer, or repurchase loans made from surplus funds under this section or from the proceeds of the sale, assignment, or transfer of a loan under section 6a of the emergency municipal loan act, 1980 PA 243, MCL 141.936a. The state treasurer shall use surplus funds to repurchase a loan under this subsection.

(6) As used in this section, "board" means the local emergency financial assistance loan board created pursuant to the emergency municipal loan act, 1980 PA 243, MCL 141.931 to 141.942.

Enacting section 1. This amendatory act takes effect 90 days after the date it is enacted into law.

Enacting section 2. This amendatory act does not take effect unless Senate Bill No.____ or House Bill No. 4751 (request no. 01329'19) of the 100th Legislature is enacted into law.