

HOUSE BILL No. 5095

August 8, 2007, Introduced by Reps. Jackson, Johnson, Young, Donigan, Robert Jones, Cushingberry, Sak, Alma Smith, Warren, Bauer, Melton and Sheltroun 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,"

(MCL 21.141 to 21.147) by adding section 5.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 **SEC. 5. (1) THE STATE TREASURER SHALL NOT DEPOSIT ANY SURPLUS**
2 **FUNDS BELONGING TO THE STATE IN A FINANCIAL INSTITUTION WITH TOTAL**
3 **ASSETS OF MORE THAN \$10,000,000.00 AT THE END OF ITS LAST FULL**
4 **FISCAL YEAR UNLESS THE FINANCIAL INSTITUTION COMPLIES WITH**
5 **SUBSECTION (3).**

6 **(2) BEFORE MAY 1 EACH YEAR, THE STATE TREASURER SHALL PUBLISH**

1 A LIST OF FINANCIAL INSTITUTIONS WITH TOTAL ASSETS OF MORE THAN
2 \$10,000,000.00 AT THE END OF THEIR LAST FULL FISCAL YEAR THAT HAVE
3 FAILED TO COMPLY WITH SUBSECTION (3). A FINANCIAL INSTITUTION THAT
4 DOES NOT APPEAR ON THAT LIST SHALL CONCLUSIVELY BE PRESUMED TO HAVE
5 COMPLIED WITH SUBSECTION (3) AND TO HAVE FILED THE REQUIRED REPORTS
6 FOR PURPOSES OF DETERMINING ITS ELIGIBILITY TO BE A DEPOSITORY OF
7 STATE FUNDS. ADDITIONAL FUNDS SHALL NOT BE DEPOSITED IN A FINANCIAL
8 INSTITUTION THAT APPEARS ON THE LIST UNTIL THE STATE TREASURER
9 CERTIFIES THAT THE FINANCIAL INSTITUTION HAS COMPLIED WITH
10 SUBSECTION (3) AND HAS FILED THE REQUIRED REPORTS, OR UNTIL 91 DAYS
11 AFTER THE END OF A SUBSEQUENT YEAR FOR WHICH THE REQUIRED REPORTS
12 ARE FILED WITH THE STATE TREASURER, WHICHEVER OCCURS SOONER.

13 (3) TO BE A DEPOSITORY OF SURPLUS FUNDS BELONGING TO THIS
14 STATE, A FINANCIAL INSTITUTION SHALL NOT KNOWINGLY MAKE OR MAINTAIN
15 A LOAN TO AN OPPRESSIVE REGIME, A NATIONAL CORPORATION OF AN
16 OPPRESSIVE REGIME, OR A SUBSIDIARY OR AFFILIATE OF A UNITED STATES
17 FIRM OPERATING IN AN OPPRESSIVE REGIME. A FINANCIAL INSTITUTION
18 SHALL BE CONSIDERED TO HAVE COMPLIED WITH THIS SUBSECTION IF THE
19 FINANCIAL INSTITUTION HAS FILED WITH THE STATE TREASURER AN
20 AFFIDAVIT ATTESTING TO THE FACT THAT IT HAS AFTER JULY 1, 2007 NO
21 EXISTING LOANS TO AN OPPRESSIVE REGIME, A NATIONAL CORPORATION OF
22 AN OPPRESSIVE REGIME, OR A SUBSIDIARY OR AFFILIATE OF A UNITED
23 STATES FIRM OPERATING IN AN OPPRESSIVE REGIME, AS DETERMINED BY THE
24 STATE TREASURER.

25 (4) AS USED IN THIS SUBSECTION:

26 (A) "NATIONAL CORPORATION" MEANS A CORPORATION, OR A
27 SUBSIDIARY OF AFFILIATE OF A CORPORATION, THAT IS MORE THAN 50%

1 OWNED OR OPERATED BY THE GOVERNMENT OF AN OPPRESSIVE REGIME.

2 (B) "OPPRESSIVE REGIME" MEANS THE REPUBLIC OF SUDAN.

3 (C) "SUBSIDIARY OR AFFILIATE OF A UNITED STATES FIRM OPERATING
4 IN AN OPPRESSIVE REGIME" MEANS, AS DETERMINED BY THE STATE
5 TREASURER, A FIRM INCORPORATED UNDER THE LAWS OF AN OPPRESSIVE
6 REGIME, DOMICILED IN AN OPPRESSIVE REGIME, AND CONTROLLED BY A
7 UNITED STATES FIRM. A SUBSIDIARY OR AFFILIATE SHALL NOT BE
8 CONSTRUED TO MEAN A SUBSIDIARY OR AFFILIATE THAT IS LOCATED IN THE
9 UNITED STATES.

10 (D) "SURPLUS FUNDS" MEANS, AT ANY GIVEN DATE, THE EXCESS OF
11 CASH AND OTHER RECOGNIZED ASSETS, THAT ARE EXPECTED TO BE RESOLVED
12 INTO CASH OR ITS EQUIVALENT IN THE NATURAL COURSE OF EVENTS AND
13 WITH A REASONABLE CERTAINTY, OVER THE LIABILITIES AND NECESSARY
14 RESERVES AT THE SAME DATE. SURPLUS FUNDS DO NOT INCLUDE THE
15 PROCEEDS OF BOND AND NOTE ISSUES THAT ARE DEPOSITED FOR A PERIOD OF
16 NOT MORE THAN 10 DAYS IN A FINANCIAL INSTITUTION FOR SETTLEMENT
17 PURPOSES.