

**SENATE SUBSTITUTE FOR
HOUSE BILL NO. 5569**

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 1987 PA 284.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. (1) The state treasurer shall make a loan from surplus
2 funds to an eligible municipality, as municipality is defined in
3 section 1 of the emergency municipal loan act, ~~Act No. 243 of the~~
4 ~~Public Acts of 1980, being section 141.931 of the Michigan Compiled~~
5 ~~Laws, 1980 PA 243, MCL 141.931,~~ if the loan is approved pursuant to
6 **UNDER** the emergency municipal loan act, ~~Act No. 243 of the Public~~
7 ~~Acts of 1980, being sections 141.931 to 141.942 of the Michigan~~

~~Compiled Laws.~~ 1980 PA 243, MCL 141.931 TO 141.942.

(2) A loan made under subsection (1) shall comply with the requirements of the emergency municipal loan act, ~~Act No. 243 of the Public Acts of 1980, with respect~~ 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 ~~the~~ THIS state by an authorized representative of the municipality, INCLUDING, BUT NOT LIMITED TO, AN EMERGENCY MANAGER FOR THE MUNICIPALITY IF THE MUNICIPALITY IS IN RECEIVERSHIP UNDER THE LOCAL GOVERNMENT AND SCHOOL DISTRICT FISCAL ACCOUNTABILITY ACT, 2011 PA 4, MCL 141.1501 TO 141.1531, A SUCCESSOR STATUTE, OR, IF THE LOCAL GOVERNMENT AND SCHOOL DISTRICT FISCAL ACCOUNTABILITY ACT, 2011 PA 4, MCL 141.1501 TO 141.1531, IS REPEALED OR OTHERWISE NOT EFFECTIVE AND FORMER 1990 PA 72 IS REENACTED OR OTHERWISE AGAIN IN EFFECT OR APPLICABLE, AN EMERGENCY FINANCIAL MANAGER FOR THE MUNICIPALITY IF THE MUNICIPALITY HAS A FINANCIAL EMERGENCY UNDER FORMER 1990 PA 72, the state treasurer shall issue a warrant to the municipality in an amount equal to the amount of the loan.

(4) ~~The~~ FOR STATE FISCAL YEARS BEGINNING BEFORE OCTOBER 1, 2011, THE total amount of loans made from surplus funds pursuant to this section in any 1 STATE fiscal year shall not exceed \$5,000,000.00 plus the amount of any loans authorized by section 3(2) of the emergency municipal loan act, ~~Act No. 243 of the Public Acts of 1980, being section 141.933 of the Michigan Compiled Laws.~~ 1980 PA 243, MCL 141.933. FOR STATE FISCAL YEARS BEGINNING

1 AFTER SEPTEMBER 30, 2018, THE TOTAL AMOUNT OF LOANS MADE FROM
2 SURPLUS FUNDS PURSUANT TO THIS SECTION IN ANY 1 STATE FISCAL YEAR
3 SHALL NOT EXCEED \$10,000,000.00 PLUS THE AMOUNT OF ANY LOANS
4 AUTHORIZED BY SECTION 3(2) OF THE EMERGENCY MUNICIPAL LOAN ACT,
5 1980 PA 243, MCL 141.933, WITH NO LOAN TO A SINGLE MUNICIPALITY
6 EXCEEDING \$4,000,000.00 IN A STATE FISCAL YEAR. FOR THE PERIOD
7 BEGINNING ON OCTOBER 1, 2011 AND ENDING ON SEPTEMBER 30, 2018,
8 LOANS MADE FROM SURPLUS FUNDS PURSUANT TO THIS SECTION MAY INCLUDE
9 BOTH OF THE FOLLOWING:

10 (A) LOANS TO MUNICIPALITIES OTHER THAN SCHOOL DISTRICTS
11 TOTALING UP TO \$35,000,000.00 DURING THE PERIOD. LOANS TO A SINGLE
12 MUNICIPALITY UNDER THIS SUBDIVISION SHALL NOT TOTAL MORE THAN
13 \$20,000,000.00.

14 (B) LOANS TO SCHOOL DISTRICTS WITHIN THIS STATE THAT TOTAL UP
15 TO \$50,000,000.00 DURING THE PERIOD. LOANS TO A SINGLE SCHOOL
16 DISTRICT UNDER THIS SUBDIVISION SHALL NOT TOTAL MORE THAN
17 \$20,000,000.00.

18 (5) THE STATE TREASURER MAY SELL, ASSIGN, TRANSFER, OR
19 REPURCHASE LOANS MADE FROM SURPLUS FUNDS UNDER THIS SECTION OR FROM
20 THE PROCEEDS OF THE SALE, ASSIGNMENT, OR TRANSFER OF A LOAN UNDER
21 SECTION 6A OF THE EMERGENCY MUNICIPAL LOAN ACT, 1980 PA 243, MCL
22 141.936A. THE STATE TREASURER SHALL USE SURPLUS FUNDS TO REPURCHASE
23 A LOAN UNDER THIS SUBSECTION.

24 (6) ~~(5)~~As used in this section, "board" means the local
25 emergency financial assistance loan board created pursuant to the
26 emergency municipal loan act, ~~Act No. 243 of the Public Acts of~~
27 ~~1980.~~1980 PA 243, MCL 141.931 TO 141.942.

1 Enacting section 1. This amendatory act does not take effect
2 unless all of the following bills of the 96th Legislature are
3 enacted into law:

4 (a) House Bill No. 5566.

5 (b) House Bill No. 5567.

6 (c) House Bill No. 5568.

7 (d) House Bill No. 5570.