

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~~

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

2 (2) A loan made under subsection (1) shall comply with the
3 requirements of the emergency municipal loan act, ~~Act No. 243 of~~
4 ~~the Public Acts of 1980, with respect~~ **1980 PA 243, MCL 141.931 TO**
5 **141.942, RELATING** to the terms, conditions, rate of interest, and
6 amount of the loan.

7 (3) Upon approval of a loan by the board and execution of a
8 note of indebtedness to ~~the~~ **THIS** state by an authorized
9 representative of the municipality, **INCLUDING, BUT NOT LIMITED TO,**
10 **AN EMERGENCY MANAGER FOR THE MUNICIPALITY IF THE MUNICIPALITY IS IN**
11 **RECEIVERSHIP UNDER THE LOCAL GOVERNMENT AND SCHOOL DISTRICT FISCAL**
12 **ACCOUNTABILITY ACT, 2011 PA 4, MCL 141.1501 TO 141.1531, A**
13 **SUCCESSOR STATUTE, OR, IF THE LOCAL GOVERNMENT AND SCHOOL DISTRICT**
14 **FISCAL ACCOUNTABILITY ACT, 2011 PA 4, MCL 141.1501 TO 141.1531, IS**
15 **REPEALED OR OTHERWISE NOT EFFECTIVE AND FORMER 1990 PA 72 IS**
16 **REENACTED OR OTHERWISE AGAIN IN EFFECT OR APPLICABLE, AN EMERGENCY**
17 **FINANCIAL MANAGER FOR THE MUNICIPALITY IF THE MUNICIPALITY HAS A**
18 **FINANCIAL EMERGENCY UNDER FORMER 1990 PA 72, the state treasurer**
19 shall issue a warrant to the municipality in an amount equal to the
20 amount of the loan.

21 (4) ~~The~~ **FOR STATE FISCAL YEARS BEGINNING BEFORE OCTOBER 1,**
22 **2011, THE** total amount of loans made from surplus funds pursuant to
23 this section in any 1 **STATE** fiscal year shall not exceed
24 \$5,000,000.00 plus the amount of any loans authorized by section
25 3(2) of the emergency municipal loan act, ~~Act No. 243 of the Public~~
26 ~~Acts of 1980, being section 141.933 of the Michigan Compiled~~
27 ~~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.