

HOUSE BILL No. 5834

September 8, 2016, Introduced by Reps. Somerville, Lucido and Howrylak and referred to the Committee on Financial Services.

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 the title and section 7 (MCL 21.147), the title as amended by 1993 PA 44 and section 7 as amended by 2000 PA 280, and by adding section 3a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1

TITLE

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An act to regulate the disposition of the surplus funds in the

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state treasury; to provide for the deposit of surplus funds in

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certain financial institutions **AND THE COMMUNITY BANK OF MICHIGAN;**

1 to lend surplus funds pursuant to loan agreements secured by
2 ~~certain~~ commercial, agricultural, or industrial real and personal
3 property; to authorize the loan of surplus funds to ~~certain~~
4 municipalities; to authorize the participation in ~~certain~~ loan
5 programs; to authorize an appropriation; and to prescribe the
6 duties of certain state agencies.

7 **SEC. 3A. THE STATE TREASURER SHALL DEPOSIT OR INVEST AT LEAST**
8 **90% OF SURPLUS FUNDS IN THE COMMUNITY BANK OF MICHIGAN. THE STATE**
9 **TREASURER SHALL NOT LOAN, INVEST, OR DEPOSIT IN FINANCIAL**
10 **INSTITUTIONS MORE THAN 10% OF SURPLUS FUNDS FOR PURPOSES OF SECTION**
11 **1, 2A, 2B, 2C, 2D, 2E, 2F, OR 3.**

12 Sec. 7. As used in this act:

13 (a) "Commissioner" means the ~~commissioner of the office of~~
14 ~~financial and insurance services of the department of consumer and~~
15 ~~industry services.~~ **DIRECTOR OF THE DEPARTMENT OF INSURANCE AND**
16 **FINANCIAL SERVICES.**

17 (b) "COMMUNITY BANK OF MICHIGAN" MEANS THE COMMUNITY BANK OF
18 MICHIGAN ESTABLISHED IN SECTION 5 OF THE BANK OF MICHIGAN ACT.

19 (c) ~~(b)~~ "Deposit" includes the purchase of, or investment in,
20 shares of credit unions.

21 (d) ~~(e)~~ Except as otherwise provided by this subdivision,
22 "financial institution" means a state or nationally chartered bank
23 or a state or federally chartered savings and loan association,
24 savings bank, or credit union whose deposits are insured by an
25 agency of the United States government and which maintains a
26 principal office or branch office located in this state under the
27 laws of this state or the United States. For the purpose of

1 repurchase agreements, "financial institution" means a state or
2 nationally chartered bank or state or federally chartered savings
3 and loan association, savings bank, or credit union whose deposits
4 are insured by an agency of the United States government under the
5 laws of this state or the United States. **FINANCIAL INSTITUTION DOES**
6 **NOT INCLUDE THE COMMUNITY BANK OF MICHIGAN.**

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

9 Enacting section 2. This amendatory act does not take effect
10 unless Senate Bill No.____ or House Bill No.____ (request no.
11 03498'15) of the 98th Legislature is enacted into law.