

SENATE BILL No. 821

February 24, 2016, Introduced by Senator HANSEN 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:

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, 1980 PA 243, MCL
4 141.931, if the loan is approved under the emergency municipal loan
5 act, 1980 PA 243, MCL 141.931 to 141.942.

1 (2) A loan made under subsection (1) shall comply with the
2 requirements of the emergency municipal loan act, 1980 PA 243, MCL
3 141.931 to 141.942, relating to the terms, conditions, rate of
4 interest, and amount of the loan.

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

12 (4) For state fiscal years beginning before October 1, 2011,
13 the total amount of loans made from surplus funds pursuant to this
14 section in any 1 state fiscal year shall not exceed \$5,000,000.00
15 plus the amount of any loans authorized by section 3(2) of the
16 emergency municipal loan act, 1980 PA 243, MCL 141.933. For state
17 fiscal years beginning after September 30, 2018, the total amount
18 of loans made from surplus funds pursuant to this section in any 1
19 state fiscal year shall not exceed \$10,000,000.00 plus the amount
20 of any loans authorized by section 3(2) of the emergency municipal
21 loan act, 1980 PA 243, MCL 141.933, with no loan to a single
22 municipality exceeding \$4,000,000.00 in a state fiscal year. For
23 the period beginning on October 1, 2011 and ending on September 30,
24 2018, loans made from surplus funds pursuant to this section may
25 include ~~both of the following:~~

26 ~~——(a) Loans **LOANS** to municipalities other than school districts~~
27 in amounts authorized under section ~~3(1)(a)~~ **3(1)** of the emergency

1 municipal loan act, 1980 PA 243, MCL 141.933.

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

5 (5) The state treasurer may sell, assign, transfer, or
6 repurchase loans made from surplus funds under this section or from
7 the proceeds of the sale, assignment, or transfer of a loan under
8 section 6a of the emergency municipal loan act, 1980 PA 243, MCL
9 141.936a. The state treasurer shall use surplus funds to repurchase
10 a loan under this subsection.

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

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

16 Enacting section 2. This amendatory act does not take effect
17 unless Senate Bill No. 822

18 of the 98th Legislature is enacted into law.