TOXIC SUBSTANCE LOAN REPAYMENT

Act 459 of 1982

AN ACT to provide for the payment, repayment, and recovery of certain loans; to grant relief from the repayment of certain loans; to prescribe the powers and duties of certain state agencies and departments; to provide for the transfer of certain duties and documents; to establish a toxic substance loan repayment fund; and to repeal certain acts and parts of acts.

History: 1982, Act 459, Eff. Mar. 30, 1983 ;-- Am. 1986, Act 172, Imd. Eff. July 7, 1986

The People of the State of Michigan enact:

***** 325.851 THIS SECTION DOES NOT APPLY AFTER JULY 7, 1986: See 325.856b *****

325.851 Definitions.

Sec. 1.

As used in this act:

(a) "Department" means the department of treasury.

(b) "Fund" means the toxic substance loan repayment fund established in section 4.

History: 1982, Act 459, Eff. Mar. 30, 1983

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***** 325.852 THIS SECTION DOES NOT APPLY AFTER JULY 7, 1986: See 325.856b *****

325.852 Abolition of state toxic substance loan commission.

Sec. 2.

The state toxic substance loan commission established under former Act No. 273 of the Public Acts of 1978 is abolished.

History: 1982, Act 459, Eff. Mar. 30, 1983
Compiler's Notes: Act 273 of 1978, referred to in this section, was repealed by Act 459 of 1982.

***** 325.853 THIS SECTION DOES NOT APPLY AFTER JULY 7, 1986: See 325.856b *****

325.853 Transfer of loans, documents, and audited inventory to department; powers of state treasurer.

Sec. 3.

All loans made by the toxic substance loan commission pursuant to former Act No. 273 of the Public Acts of 1978, together with any documents regarding the loans and an audited inventory of the loans are transferred to the department. The state treasurer shall have all powers necessary or expedient for the protection of the state's interest in those loans, including but not limited to, the right to incur any and all costs required to protect the state's interest

in any of the loans, and to take any other action regarding the loans as the state treasurer considers necessary.

History: 1982, Act 459, Eff. Mar. 30, 1983
Compiler's Notes: Act 273 of 1978, referred to in this section, was repealed by Act 459 of 1982.

***** 325.854 THIS SECTION DOES NOT APPLY AFTER JULY 7, 1986: See 325.856b *****

325.854 Toxic substance loan repayment fund; establishment; deposits; use of fund.

Sec. 4.

(1) A toxic substance loan repayment fund is established in the department.

(2) All payments of principal, interest, fees, charges, and other receipts from the servicing of loans made pursuant to former Act No. 273 of the Public Acts of 1978, shall be deposited into the toxic substance loan repayment fund.

(3) The state treasurer may use the fund to pay the costs of servicing loans made pursuant to former Act No. 273 of the Public Acts of 1978, including any costs incurred by the state in protecting the state's interest in those loans, and may establish a reserve to cover anticipated servicing costs.

History: 1982, Act 459, Eff. Mar. 30, 1983
Compiler's Notes: Act 273 of 1978, referred to in this section, was repealed by Act 459 of 1982.

***** 325.855 THIS SECTION DOES NOT APPLY AFTER JULY 7, 1986: See 325.856b *****

325.855 Repayment of note of indebtedness executed under former MCL 325.831 to 325.845; schedule of repayment; assessment of interest; interest not to accumulate during suspension of repayment.

Sec. 5.

(1) A note of indebtedness executed under former Act No. 273 of the Public Acts of 1978 shall be repaid within 25 years after issuance of the warrant. The department may provide a schedule for repayment during the 25-year period or may use the schedule for repayment provided by the state toxic substance loan commission under former Act No. 273 of the Public Acts of 1978. The schedule of repayment may make allowances for the financial condition of the loan recipient.

(2) Interest on a loan shall not be assessed for the first 5 years from the issuance of the warrant. After the fifth year and through the tenth year, interest shall be assessed at an annual rate of 3%. After the tenth year, interest shall be assessed at an annual rate of 2 percentage points less than the average annual effective prime lending rate for commercial banks as reported by the federal reserve system. However, interest shall not accumulate during the 5-year suspension of repayment under section 6.

History: 1982, Act 459, Eff. Mar. 30, 1983
Compiler's Notes: Act 273 of 1978, referred to in this section, was repealed by Act 459 of 1982.

***** 325.856 THIS SECTION DOES NOT APPLY AFTER JULY 7, 1986: See 325.856b *****

325.856 Suspension of repayment; duration; preparation, execution, and filing of termination statements and other documents; transfer of unexpended, unencumbered, or unreserved money in fund to general fund.

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Sec. 6.

(1) After a showing of financial need, the requirement for repayment of a loan granted under former Act No. 273 of the Public Acts of 1978 may be suspended for a period of not more than 5 years beginning on January 1, 1983 by the department of treasury.

(2) The department, with the assistance of the department of attorney general, shall prepare, execute, and file all termination statements and other documents necessary to effectuate this section.

(3) All money in the fund which is unexpended, unencumbered, or unreserved at the end of each fiscal year of the state shall be transferred to the general fund of the state.

History: 1982, Act 459, Eff. Mar. 30, 1983
Compiler's Notes: Act 273 of 1978, referred to in this section, was repealed by Act 459 of 1982.

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325.856a Discharge and repayment of loan made by state toxic substance loan commission; preparation, execution, and filing of documents.

Sec. 6a.

(1) Notwithstanding any other section of this act, the unpaid balance of a loan made by the state toxic substance loan commission pursuant to former Act No. 273 of the Public Acts of 1978, including principal, interest, and fees and charges related to that loan, that is due and payable to the toxic substance loan repayment fund shall be discharged on the effective date of this act and any security agreement or note of indebtedness resulting from that loan shall be void. In addition, the department shall reimburse a person for payments made by that person on any loan made by the state toxic substance loan commission pursuant to former Act No. 273 of the Public Acts of 1978, including payment of principal, interest, and fees and charges related to that loan paid to the toxic substance loan repayment fund under the terms of that loan.

(2) The department, with the assistance of the attorney general, shall prepare, execute, and file any documents necessary to effectuate this section, including the prompt preparation, execution, and filing of any documents necessary to reflect the discharge and repayment provided by this section to persons who obtained loans from the state toxic substance loan commission.

History: Add. 1986, Act 172, Imd. Eff. July 7, 1986

325.856b Applicability of MCL 325.851 to 325.856.

Sec. 6b.

Sections 1 to 6 of this act shall not apply after the effective date of the 1986 amendatory act that added section 6a.

History: Add. 1986, Act 172, Imd. Eff. July 7, 1986

325.857 Repeal of MCL 325.831 to 325.845.

Sec. 7.

Act No. 273 of the Public Acts of 1978, being sections 325.831 to 325.845 of the Compiled Laws of 1970, is repealed.

History: 1982, Act 459, Eff. Mar. 30, 1983

325.858 Effective date.

Sec. 8.

This act shall take effect January 1, 1983.

History: 1982, Act 459, Eff. Mar. 30, 1983

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