MARINA DREDGING LOAN ORIGINATION ACT

Act 10 of 2013

AN ACT to establish a marina dredging loan origination program; to authorize certain loan guarantees; to prescribe the powers and duties of certain state agencies and officials; and to provide for an appropriation.

History: 2013, Act 10, Imd. Eff. Mar. 27, 2013

The People of the State of Michigan enact:

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324.95231 Short title.

Sec. 1.

This act shall be known and may be cited as the "marina dredging loan origination act".

History: 2013, Act 10, Imd. Eff. Mar. 27, 2013

324.95232 Definitions.

Sec. 2.

As used in this act:

(a) "Bottomland" means the land area of a water body that lies below the ordinary high-water mark and that may or may not be covered by water.

(b) "Dredging" means the removal of sediments from bottomland.

(c) "Dredging costs" means the costs associated with dredging that were incurred after February 1, 2013, including costs of removal, disposal, and testing of sediments, and the costs associated with obtaining necessary permits required to conduct dredging.

(d) "Eligible marina" means a privately owned, commercial facility in this state that meets all of the following requirements:

(i) Extends into or over the Great Lakes, their connecting waters, or an inland lake or stream.

(ii) Provides docking, mooring, or launching services for recreational boating and does not limit its services based on religion, race, color, creed, national origin, sex, marital status, disability, age, sexual orientation, or family status.

(iii) Has received the permits required by law from the department of environmental quality and the army corps of engineers, as appropriate, for the dredging to be conducted with marina dredging loan funds.

(e) "Financial institution" means a state or national bank, a state or federally chartered savings and loan association, a state or federally chartered savings bank, a state or federally chartered credit union, or other regulated lending institution whose deposits are insured by an agency of the United States government, that maintains a principal office or branch office in this state under the laws of this state or the United States.

(f) "Inland lake or stream" means that term as it is defined in section 30101 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.30101.

(g) "Marina dredging loan" means a loan or the refinancing of all or a portion of a loan made to the owner of an eligible marina for dredging costs necessitated by low water levels to accommodate the use of the marina by recreational watercraft.

(h) "Ordinary high-water mark" means either of the following:

(i) For an inland lake or stream, that term as it is defined in section 30101 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.30101.

(ii) For the Great Lakes, the ordinary high-water mark as described in section 32502 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.32502.

(i) "Person" means an individual, partnership, corporation, association, governmental entity, or other legal entity.

(j) "Program" means the marina dredging loan origination program established under this act.

(k) "Qualified financial institution" means a financial institution that has a physical location in this state or whose principal office is located in this state, or both.

History: 2013, Act 10, Imd. Eff. Mar. 27, 2013

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324.95233 Marina dredging loan origination program; establishment; requirements; limitation on loan amount.

Sec. 3.

(1) The state treasurer may establish a marina dredging loan origination program as provided in this act.

(2) The program shall meet all of the following:

(a) A qualified financial institution shall make marina dredging loans before March 1, 2014.

(b) A person receiving a marina dredging loan shall pay an interest rate authorized under this act and established by the qualified financial institution.

(c) This state shall pay loan origination fees, on a first come first serve basis, for administrative costs incurred by the qualified financial institution equal to 5% of the original principal amount of the loan.

(3) A marina dredging loan shall comply with all of the following:

(a) Interest shall be set by the qualified financial institution at a rate of not more than the higher of 2.5% or the adjusted prime rate minus 0.75%. As used in this subdivision, "adjusted prime rate" means that term as it is defined in section 23 of 1941 PA 122, MCL 205.23.

(b) The term of the loan shall not be more than 5 years.

(c) The first principal payment required under the loan shall not occur before 24 months after the issuance of the loan.

(4) A marina dredging loan shall not exceed $500,000.00 per eligible marina.

History: 2013, Act 10, Imd. Eff. Mar. 27, 2013

324.95234 Powers and duties of state treasurer, attorney general, and qualified financial institution; program as valid public purpose.

Sec. 4.

(1) The state treasurer may take any necessary action to ensure the successful operation of the program, including, but not limited to, entering into agreements with qualified financial institutions related to the operation of the program and the issuance of marina dredging loans.

(2) The attorney general shall approve as to legal form all documents relating to the payment of a loan origination fee by this state.

(3) Each qualified financial institution participating in the program shall do both of the following:

(a) By March 1, 2014, report to the state treasurer the principal amount of marina dredging loans made under the program.

(b) File an affidavit with the state treasurer signed by a senior executive officer of the qualified financial institution stating that the qualified financial institution is in compliance with the program and this act.

(4) Upon request by the state treasurer, a qualified financial institution shall forward to the state treasurer a copy of any affidavit executed by a person receiving a marina dredging loan under this act. The qualified financial institution and the state treasurer shall destroy the affidavit or its copy after the marina dredging loan is repaid.

(5) The program is found and declared to be for a valid public purpose.

History: 2013, Act 10, Imd. Eff. Mar. 27, 2013

324.95235 Appropriation; expenditure.

Sec. 5.

(1) An amount sufficient to pay loan origination fees under this act, not to exceed $1,000,000.00, shall be expended if it is appropriated to the department of treasury.

(2) The appropriation authorized in this section is a work project appropriation, and any unencumbered or unallotted funds are carried forward into the following fiscal year. The following is in compliance with section 451a(1) of the management and budget act, 1984 PA 431, MCL 18.1451a:

(a) The purpose of the project is to provide financial assistance to eligible marinas and to alleviate financial distress caused by low water levels impacting recreational watercraft use and related economic impacts through the program.

(b) The work project will be accomplished through the use of payments to qualified financial institutions for marina dredging loan origination fees for administrative costs incurred by qualified financial institutions.

(c) The total estimated completion cost of the work project is $1,000,000.00.

(d) The estimated completion date of the work project is March 1, 2014.

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