DEPOSIT AND SAFEGUARDING OF PUBLIC MONEYS OF VILLAGE

Act 321 of 1909

AN ACT to provide for the depositing and safeguarding of public moneys belonging to villages within the state of Michigan.

History: 1909, Act 321, Eff. Sept. 1, 1909

The People of the State of Michigan enact:

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129.41 Public funds of incorporated village; deposit; secured deposits; limitation on acceptable assets; warrants and orders; profits; liability for loss; ordinance or resolution; conduct and inspection of proceedings; accrual of profits to village general fund.

Sec. 1.

(1) The legislative body of an incorporated village of this state may provide for the depositing and safeguarding of public funds in the manner prescribed in section 3 and this section. The treasurer of an incorporated village within the state, upon giving bond as required by the council, may deposit all public funds of which the treasurer has charge in a financial institution located within the county which the treasurer considers best for the protection of the funds.

(2) Assets acceptable for pledging to secure deposits of village funds are limited to any of the following:

(a) Assets considered acceptable to the state treasurer under section 3 of 1855 PA 105, MCL 21.143, to secure deposits of state surplus funds.

(b) Any of the following:

(i) Securities issued by the federal home loan mortgage corporation.

(ii) Securities issued by the federal national mortgage association.

(iii) Securities issued by the government national mortgage association.

(c) Other securities considered acceptable to the village and the financial institution.

(3) The deposit shall be subject at all times to the warrants and orders of the treasurer required by law to be drawn, and all profits arising from the deposit shall inure to the benefit of the funds.

(4) These deposits shall not release the treasurer from liability for a loss which may occur by the deposit.

(5) The legislative body may provide by ordinance or resolution for the deposit of all public funds belonging to the village coming into the possession of the treasurer in a designated financial institution located within the county and may determine in the ordinance or resolution all details for carrying into effect the authority granted by this section.

(6) All proceedings in connection with the deposit of funds shall be conducted in a manner which insures full publicity and shall be open at all times to the inspection of any citizen. Neither the treasurer nor the treasurer's sureties shall be liable for a loss incurred from deposits made under authority of an ordinance or resolution of the council.

(7) Profits arising from the deposit shall accrue to the benefit of the general fund of the village.

History: 1909, Act 321, Eff. Sept. 1, 1909 ;-- CL 1915, 2609 ;-- CL 1929, 1792 ;-- CL 1948, 129.41 ;-- Am. 1956, Act 27, Eff. Aug. 11, 1956 ;-- Am. 1979, Act 77, Imd. Eff. Aug. 1, 1979 ;-- Am. 1997, Act 45, Imd. Eff. June 30, 1997

129.42 Security for deposit prohibited.

Sec. 2.

Security in the form of collateral, surety bonds, or another form shall not be taken for the deposit of the public funds.

History: Add. 1979, Act 77, Imd. Eff. Aug. 1, 1979

129.43 Limitation on deposit of additional public funds.

Sec. 3.

Notwithstanding section 1(1), additional public funds of an incorporated village shall not be deposited in a financial institution which is not eligible to be a depository of surplus funds belonging to this state under section 6 of 1855 PA 105, MCL 21.146.

History: Add. 1979, Act 77, Imd. Eff. Aug. 1, 1979 ;-- Am. 1997, Act 45, Imd. Eff. June 30, 1997

129.44 "Deposit" defined.

Sec. 4.

As used in this act, "deposit" includes the purchase of, or investment in, shares of a credit union.

History: Add. 1979, Act 77, Imd. Eff. Aug. 1, 1979

129.45 "Financial institution" defined.

Sec. 5.

As used in this act, "financial institution" means a state or nationally chartered bank or a state or federally chartered savings and loan association, savings bank, or credit union whose deposits are insured by an agency of the United States government and which maintains a principal office or branch office located in this state under the laws of this state or the United States.

History: Add. 1997, Act 45, Imd. Eff. June 30, 1997

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