LOANS TO MOTOR CARRIERS

Act 387 of 1978

AN ACT to make appropriations to the department of state; to prescribe the powers and duties of the department of state and the state treasurer; to provide for loans to persons who own certain vehicles for the cost of their alteration or replacement; and to provide an interest rate for repayment of those loans.

History: 1978, Act 387, Imd. Eff. July 27, 1978 ;-- Am. 1979, Act 14, Imd. Eff. May 17, 1979

The People of the State of Michigan enact:

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257.931 Loans to motor carriers; prerequisites; purpose; loans as investments for state recreational land acquisition trust fund; investigation; determination; applicability of section; condition of loan.

Sec. 1.

(1) The state treasurer shall make loans to motor carriers who have obtained a certificate of public convenience and necessity or a permit to operate as a motor carrier from the Michigan public service commission, and to private carriers who are independent wholesale distributors engaged in the distribution of petroleum products to consumers and retailers by vehicles owned or leased by those private carriers to aid those motor carriers and private carriers in complying with section 722(9), (10), (11), and (12) of Act No. 300 of the Public Acts of 1949, as amended, being section 257.722 of the Michigan Compiled Laws. The loans made under this subsection shall be made before October 1, 1980, and shall be made as investments for the state recreational land acquisition trust fund. These loans shall be made in such amounts and to such applicants as determined by the secretary of state pursuant to its investigation of applications for loans, but without further investigation by the department of treasury.

(2) The department of state shall make loans to motor carriers who have obtained a certificate of public convenience and necessity or a permit to operate as a motor carrier from the Michigan public service commission and to private carriers who are independent wholesale distributors engaged in the distribution of petroleum products to consumers and retailers by vehicles owned or leased by those private carriers to aid those motor carriers and private carriers in complying with section 722(9), (10), (11), and (12) of Act No. 300 of the Public Acts of 1949, as amended. The loans made under this subsection shall be made after September 30, 1980, and shall be made from amounts appropriated to the department of state from the general fund.

(3) This section shall apply only to a carrier who meets the description of this section as of July 1, 1978. A condition of each loan shall be that the carrier use the vehicles modified or replaced with the proceeds of the loan primarily in Michigan while the loan is outstanding.

History: 1978, Act 387, Imd. Eff. July 27, 1978 ;-- Am. 1979, Act 14, Imd. Eff. May 17, 1979 ;-- Am. 1979, Act 39, Imd. Eff. June 22, 1979

257.932 Loans to motor carriers; application; form; evidence of ownership; cost of modification or replacement; repayment plan; review and certification of application; time limitation.

Sec. 2.

(1) An application for a loan shall be made on a form prescribed by the department of state and shall be submitted to the department of state. The application shall require the applicant to submit evidence of ownership of the vehicle subject to modification or replacement and an estimate of the cost of modification or replacement. The applicant shall enter into a repayment plan requiring installment payments for a maximum period of 5 years.

(2) The department of state shall review each application made under this act to determine the applicant's eligibility for a loan and the applicant's credit worthiness. The department of state shall certify to the state treasurer each loan application approved by the department of state.

(3) An application for a loan shall not be accepted by the department of state after July 1, 1983.

History: 1978, Act 387, Imd. Eff. July 27, 1978 ;-- Am. 1979, Act 39, Imd. Eff. June 22, 1979

257.933 Loans to motor carriers; amount; interest rate; time limitation; collection of repayments; restrictions; amount of money invested; appropriations.

Sec. 3.

(1) A loan made under this act shall be in such amount and to such applicants as determined by the department of state. The loans shall be made at an interest rate of 4% per year simple interest. A loan shall not be made by the department of state after November 1, 1983.

(2) The state treasurer shall collect the repayments of all loans made under this act pursuant to rules promulgated under section 7. Not more than $6,000,000.00 of the money in the state recreational land acquisition trust fund shall be loaned under this act. Money in the game and fish protection subfund created in section 4(3) of Act No. 204 of the Public Acts of 1976, as amended, being section 318.404 of the Michigan Compiled Laws, shall not be loaned under this act. The amount of money invested by the state treasurer from the state recreational land acquisition trust fund under this act and the manner of the investment shall be deemed in complete compliance with Act No. 204 of the Public Acts of 1976, as amended, being sections 318.401 to 318.409 of the Michigan Compiled Laws. The amount of money invested in a state fiscal year by the state treasurer from the state recreational land acquisition trust fund under this act shall not include moneys available for the purchase of land or rights in land and other expenditures as provided in sections 3 to 7 of Act No. 204 of the Public Acts of 1976, as amended, being sections 318.403 to 318.407 of the Michigan Compiled Laws. The legislature, until the state fiscal year in which the state recreational land acquisition trust fund is repaid all money loaned under section 1(1), annually shall appropriate to the credit of the state recreational land acquisition trust fund from the general fund of the state an amount determined by the state treasurer to be necessary to make up the difference between the interest on the loans made under section 1(1) and the amount the funds loaned would have earned had the funds been invested in the state treasurer's common cash fund. To insure the state recreational land acquisition trust fund against a loss in principal amount, the legislature shall appropriate an amount to the credit of the state recreational land acquisition trust fund which is equal to the losses suffered by the fund because of defaults of loans made under this act.

History: 1978, Act 387, Imd. Eff. July 27, 1978 ;-- Am. 1979, Act 14, Imd. Eff. May 17, 1979 ;-- Am. 1979, Act 39, Imd. Eff. June 22, 1979

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257.934 Creation of security interest in name of state on vehicle; sign disclosing state's lien.

Sec. 4.

The department of state or the department of treasury shall create a security interest in the name of the state on a vehicle owned by a carrier who receives a loan under this act. The security interest shall be created as provided in section 217 or 238 of the Michigan vehicle code, 1949 PA 300, MCL 257.217 and 257.238, and article 9 of the uniform commercial code, 1962 PA 174, MCL 440.9101 to 440.9708. Each vehicle subject to a security interest under this act shall be labeled during the life of the loan with a sign disclosing the state's lien. The sign shall be in a form prescribed by the department of treasury.

History: 1978, Act 387, Imd. Eff. July 27, 1978 ;-- Am. 1979, Act 39, Imd. Eff. June 22, 1979 ;-- Am. 2000, Act 354, Eff. July 1, 2001

257.935 Disposition of revenues.

Sec. 5.

(1) All revenues on loans made under section 1(1), including principal and interest payments and penalties, and money appropriated to the state recreational land acquisition trust fund under this act, shall be deposited in the state treasury and shall be credited to the state recreational land acquisition trust fund.

(2) All revenues on loans made under section 1(2), including principal and interest payments and penalties, shall be deposited in the state treasury and shall be credited to the general fund.

History: 1978, Act 387, Imd. Eff. July 27, 1978 ;-- Am. 1979, Act 14, Imd. Eff. May 17, 1979 ;-- Am. 1979, Act 39, Imd. Eff. June 22, 1979

257.936 Conditional effective date.

Sec. 6.

This act shall not take effect unless House Bill No. 5347 of the 1977 regular session of the legislature is enacted into law.

History: 1978, Act 387, Imd. Eff. July 27, 1978
Compiler's Notes: House Bill No. 5347, referred to in this section, was approved by the Governor on July 27, 1978, and became P.A. 1978, No. 385, Imd. Eff. July 27, 1978.

257.937 Rules.

Sec. 7.

The department of state shall promulgate rules to implement this act pursuant to Act No. 306 of the Public Acts of 1969, as amended, being sections 24.201 to 24.315 of the Michigan Compiled Laws. The rules may include but not be limited to the following: Criteria for approving or disapproving loan applications, criteria for determining the amount of a loan and provisions for a repayment plan agreement including the assessment of a fee for late payment.

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History: 1978, Act 387, Imd. Eff. July 27, 1978 ;-- Am. 1979, Act 14, Imd. Eff. May 17, 1979
Admin Rule: R 257.201 et seq. of the Michigan Administrative Code.

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