

SURPLUS FUNDS IN TREASURY (EXCERPT)
Act 105 of 1855

21.142c Investment of surplus funds; public purpose; earnings; losses; limitation.

Sec. 2c.

(1) The state treasurer may invest surplus funds under the control of the state treasurer in undivided participating interests in loans the principal of which is in whole or in part guaranteed or otherwise considered an evidence of indebtedness of the United States government or its agencies, to the extent the investment in an undivided participating interest in loans does not exceed that portion of the loan amount guaranteed or otherwise considered an evidence of indebtedness of the United States government or its agencies.

(2) An investment made under this section is found and declared to be for a valid public purpose.

(3) Earnings from an investment made pursuant to this section in excess of the average rate of interest earned during the same period on other surplus funds, other than surplus funds invested pursuant to section 1, 2, 2a, or 2b, shall be credited to the general fund of the state. If interest from an investment made pursuant to this section is below the average rate of interest earned during the same period on other surplus funds, other than surplus funds invested pursuant to section 1, 2, 2a, or 2b, the general fund shall be reduced by the amount of the deficiency on an amortized basis over the remaining term of the investment. A loss of principal from an investment made pursuant to this section shall reduce the earnings on the general fund by the amount of that loss on an amortized basis over the remaining term of the investment.

(4) Investments made pursuant to this section shall not be outstanding at any 1 time in an amount in excess of \$100,000,000.00.

History: Add. 1990, Act 360, Imd. Eff. Dec. 27, 1990