

Act No. 45
Public Acts of 1997
Approved by the Governor
June 30, 1997
Filed with the Secretary of State
June 30, 1997
EFFECTIVE DATE: June 30, 1997

STATE OF MICHIGAN
89TH LEGISLATURE
REGULAR SESSION OF 1997

Introduced by Reps. Kukuk, Rhead, Gernaat, Richner, Walberg, Kaza and Jaye

ENROLLED HOUSE BILL No. 4598

AN ACT to amend 1909 PA 321, entitled "An act to provide for the depositing and safeguarding of public moneys belonging to villages within the state of Michigan," by amending sections 1 and 3 (MCL 129.41 and 129.43) and by adding section 5.

The People of the State of Michigan enact:

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.

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.

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.

This act is ordered to take immediate effect.



Clerk of the House of Representatives.



Secretary of the Senate.

Approved _____

Governor.