

HOUSE BILL No. 6440

September 15, 2010, Introduced by Reps. Melton, Nathan, Valentine, Bettie Scott, Leland, Johnson and Jackson and referred to the Committee on Banking and Financial Services.

A bill to amend 1855 PA 105, entitled

"An act to regulate the disposition of the surplus funds in the state treasury; to provide for the deposit of surplus funds in certain financial institutions; to lend surplus funds pursuant to loan agreements secured by certain commercial, agricultural, or industrial real and personal property; to authorize the loan of surplus funds to certain municipalities; to authorize the participation in certain loan programs; to authorize an appropriation; and to prescribe the duties of certain state agencies,"

(MCL 21.141 to 21.147) by adding section 2g.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 SEC. 2G. (1) BEGINNING JANUARY 1, 2011, THE STATE TREASURER
- 2 SHALL NOT INVEST SURPLUS FUNDS IN OR DEPOSIT SURPLUS FUNDS IN A
- 3 FINANCIAL INSTITUTION UNLESS THAT FINANCIAL INSTITUTION IS A
- 4 PARTICIPATING SERVICER UNDER THE MICHIGAN HELPING HARDEST HIT
- 5 HOMEOWNERS PLAN OPERATED BY THE MICHIGAN STATE HOUSING DEVELOPMENT

1 AUTHORITY CREATED UNDER THE STATE HOUSING DEVELOPMENT AUTHORITY ACT
2 OF 1966, 1966 PA 346, MCL 125.1401 TO 125.1499C, THAT IS FUNDED AND
3 OPERATED BY THE UNITED STATES DEPARTMENT OF TREASURY AND THE
4 DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT.

5 (2) EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION, NOT LATER
6 THAN APRIL 1, 2011, THE STATE TREASURER SHALL DIVEST THIS STATE OF
7 ANY INVESTMENT OF SURPLUS FUNDS IN A FINANCIAL INSTITUTION AND
8 SHALL REMOVE OR WITHDRAW ALL SURPLUS FUNDS IN A FINANCIAL
9 INSTITUTION IF THAT FINANCIAL INSTITUTION IS NOT A PARTICIPATING
10 SERVICER UNDER THE MICHIGAN HELPING HARDEST HIT HOMEOWNERS PLAN
11 DESCRIBED IN SUBSECTION (1). THIS SUBSECTION DOES NOT APPLY IF THE
12 STATE TREASURER DETERMINES THAT DIVESTING, REMOVING, OR WITHDRAWING
13 SURPLUS FUNDS WILL CAUSE A FINANCIAL LOSS TO THIS STATE AS
14 DETERMINED BY THE STATE TREASURER.