

HOUSE BILL No. 5434

January 18, 2018, Introduced by Reps. Howrylak, LaGrand, Yanez, Rabhi, Camilleri, Lucido and Hammoud and referred to the Committee on Regulatory Reform.

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,"

by amending section 1 (MCL 21.141), as amended by 2015 PA 116.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. (1) The ~~state treasurer~~ **COMMUNITY BANK OF MICHIGAN**
2 shall make a loan from surplus funds **DEPOSITED OR INVESTED IN THE**
3 **COMMUNITY BANK OF MICHIGAN UNDER SECTION 3A** to an eligible
4 municipality, as municipality is defined in section 1 of the
5 emergency municipal loan act, 1980 PA 243, MCL 141.931, if the loan

1 is approved under the emergency municipal loan act, 1980 PA 243,
2 MCL 141.931 to 141.942.

3 (2) A loan made under subsection (1) shall comply with the
4 requirements of the emergency municipal loan act, 1980 PA 243, MCL
5 141.931 to 141.942, relating to the terms, conditions, rate of
6 interest, and amount of the loan.

7 (3) Upon approval of a loan by the board and execution of a
8 note of indebtedness to this state by an authorized representative
9 of the municipality, including, but not limited to, an emergency
10 manager for the municipality if the municipality is in receivership
11 under the local financial stability and choice act, 2012 PA 436,
12 MCL 141.1541 to 141.1575, the state treasurer shall issue a warrant
13 to the municipality in an amount equal to the amount of the loan.

14 (4) For state fiscal years beginning before October 1, 2011,
15 the total amount of loans made from surplus funds pursuant to this
16 section in any 1 state fiscal year shall not exceed \$5,000,000.00
17 plus the amount of any loans authorized by section 3(2) of the
18 emergency municipal loan act, 1980 PA 243, MCL 141.933. For state
19 fiscal years beginning after September 30, 2018, the total amount
20 of loans made from surplus funds pursuant to this section in any 1
21 state fiscal year shall not exceed \$10,000,000.00 plus the amount
22 of any loans authorized by section 3(2) of the emergency municipal
23 loan act, 1980 PA 243, MCL 141.933, with no loan to a single
24 municipality exceeding \$4,000,000.00 in a state fiscal year. For
25 the period beginning on October 1, 2011 and ending on September 30,
26 2018, loans made from surplus funds pursuant to this section may
27 include both of the following:

1 (a) Loans to municipalities other than school districts in
2 amounts authorized under section 3(1)(a) of the emergency municipal
3 loan act, 1980 PA 243, MCL 141.933.

4 (b) Loans to school districts in amounts authorized under
5 section 3(1)(b) of the emergency municipal loan act, 1980 PA 243,
6 MCL 141.933.

7 (5) The ~~state treasurer~~ **COMMUNITY BANK OF MICHIGAN** may sell,
8 assign, transfer, or repurchase loans made from surplus funds under
9 this section or from the proceeds of the sale, assignment, or
10 transfer of a loan under section 6a of the emergency municipal loan
11 act, 1980 PA 243, MCL 141.936a. The ~~state treasurer~~ **COMMUNITY BANK**
12 **OF MICHIGAN** shall use surplus funds to repurchase a loan under this
13 subsection.

14 (6) As used in this section, "board" means the local emergency
15 financial assistance loan board created ~~pursuant to~~ **UNDER** the
16 emergency municipal loan act, 1980 PA 243, MCL 141.931 to 141.942.

17 Enacting section 1. This amendatory act takes effect 90 days
18 after the date it is enacted into law.

19 Enacting section 2. This amendatory act does not take effect
20 unless all of the following bills of the 99th Legislature are
21 enacted into law:

22 (a) Senate Bill No. _____ or House Bill No. 5431 (request no.
23 02494'17).

24 (b) Senate Bill No. _____ or House Bill No. 5432 (request no.
25 03229'17).