

HOUSE BILL NO. 4763

June 20, 2019, Introduced by Reps. Hammoud and Yaroch and referred to the Committee on Government Operations.

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:



STM



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1 Sec. 1. (1) The state treasurer shall make a loan from surplus
2 funds to an eligible municipality, as municipality is defined in
3 section 1 of the emergency municipal loan act, 1980 PA 243, MCL
4 141.931, if the loan is approved under the emergency municipal loan
5 act, 1980 PA 243, MCL 141.931 to 141.942.

6 (2) A loan made under subsection (1) ~~shall~~**must** comply with
7 the requirements of the emergency municipal loan act, 1980 PA 243,
8 MCL 141.931 to 141.942, relating to the terms, conditions, rate of
9 interest, and amount of the loan.

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

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



1 ending on September 30, 2018, loans made from surplus funds
 2 ~~pursuant to~~**under** this section may include both of the following:

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

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

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

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

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

20 Enacting section 2. This amendatory act does not take effect
 21 unless Senate Bill No. ____ or House Bill No. 4751 (request no.
 22 01329'19) of the 100th Legislature is enacted into law.

