

SURPLUS FUNDS IN TREASURY (EXCERPT)
Act 105 of 1855

21.142e Loan of surplus funds to sugar beet growers' cooperative.

Sec. 2e.

(1) The state treasurer may loan not more than \$5,000,000.00 in surplus funds, without interest, to sugar beet growers' cooperatives for the purpose of purchasing the assets of 1 or more agricultural processors if all of the following conditions are met:

(a) The agricultural processor employs at least 300 full-time employees and 1,000 seasonal employees and is in bankruptcy proceedings or was in bankruptcy proceedings at any time during the 1-year period preceding the date of the loan.

(b) The loan amount does not exceed 10% of the total purchase price of the agricultural processor's assets.

(c) The loan is for a period not to exceed 10 years.

(2) In addition to the conditions provided in subsection (1), the state treasurer may prescribe additional terms of a loan issued under this section.

(3) In the case of a loan executed under subsection (1), the state treasurer, as part of the modification of the loan, shall subordinate the loan to the primary loan of the sugar beet growers' cooperative and shall relinquish any enforcement powers or authority that may exist under the current contract or agreement. The modification shall be for not more than a \$5,000,000.00 loan to a sugar beet growers' cooperative for the purpose of purchasing the assets of 1 or more agricultural processors that employ at least 300 full-time employees and 1,000 seasonal employees. However, the modification agreement for the loan extension provided for by the amendatory act that added this sentence shall provide that if a quarterly payment is missed by the borrower after February 15, 2007, the entire loan is in default and is due and payable immediately, in full.

(4) As used in this section, "sugar beet growers' cooperative" means a farmer owned cooperative comprised of sugar beet growers who own the assets of the cooperative and use the cooperative's services or processing equipment.

History: Add. 2001, Act 123, Imd. Eff. Oct. 8, 2001 ;-- Am. 2004, Act 342, Imd. Eff. Sept. 28, 2004 ;-- Am. 2007, Act 4, Imd. Eff. Mar. 22, 2007