

Act No. 48
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. Rhead, Kukuk, Gernaat, Walberg, Richner, Kaza and Jaye

ENROLLED HOUSE BILL No. 4602

AN ACT to amend 1982 PA 367, entitled "An act relative to the investment of surplus funds of local units of government of this state in investment pools; to permit the establishment of investment pools by financial institutions; to permit local units of government to invest in investment pools; and to prescribe certain powers and duties of certain local units of government and their officers," by amending section 2 (MCL 129.112).

The People of the State of Michigan enact:

Sec. 2. (1) As used in this act:

(a) "Depository" means that department of the financial institution which is responsible for managing, investing, and reinvesting funds placed in an investment pool.

(b) "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 and which is eligible to be a depository of surplus funds belonging to the state under section 6 of 1855 PA 105, MCL 21.146.

(c) "Local unit" means a county, city, village, township, school district, authority, or any other political subdivision organized under the laws of this state.

(d) "Participant" means a local unit which has entered into a contract with a financial institution and has placed funds in an investment pool managed by that financial institution.

(e) "Surplus funds" means money which belongs to or is under the control of the local unit and is available for investment, not being required by law or agreement with bondholders to be segregated and invested in a specified manner.

(2) Assets acceptable for pledging to secure deposits of township 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.

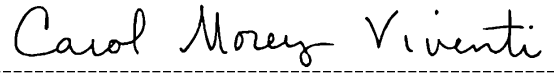
(iii) Securities issued by the government national mortgage association.

(c) Securities considered acceptable to the township and the financial institution.

This act is ordered to take immediate effect.



Clerk of the House of Representatives.



Secretary of the Senate.

Approved -----

Governor.