

Act No. 257  
Public Acts of 2002  
Approved by the Governor  
May 1, 2002  
Filed with the Secretary of State  
May 1, 2002  
EFFECTIVE DATE: May 1, 2002

**STATE OF MICHIGAN  
91ST LEGISLATURE  
REGULAR SESSION OF 2002**

Introduced by Senator Garcia

# **ENROLLED SENATE BILL No. 838**

AN ACT to amend 1995 PA 266, entitled "An act to authorize and regulate credit card transactions involving local units of government, including the use of credit cards by officers and employees of local units of government; and to provide for powers and duties of certain state and local agencies, officers, and employees," by amending sections 1 and 2 (MCL 129.241 and 129.242), section 1 as amended by 2000 PA 169.

*The People of the State of Michigan enact:*

Sec. 1. As used in this act:

(a) "Budget" means a plan of financial operation for a given period of time, including an estimate of all proposed expenditures from the funds of a local unit and the proposed means of financing the expenditures. As used in section 4(1), budget does not include any of the following:

- (i) A fund for which the local unit acts as a trustee or agent.
- (ii) An intragovernmental service fund.
- (iii) An enterprise fund.
- (iv) A public improvement or building and site fund.
- (v) A special assessment fund.

(b) "Credit card" means a card or device issued under a credit card arrangement by a person licensed under 1984 PA 379, MCL 493.101 to 493.114, by a person licensed under the consumer financial services act, 1988 PA 161, MCL 487.2051 to 487.2072, or by a depository financial institution as defined in section 1a of the mortgage brokers, lenders, and servicers licensing act, 1987 PA 173, MCL 445.1651a.

(c) "Credit card arrangement" means an unsecured extension of credit for purchasing goods or services from the credit card issuer or any other person that is made to the holder of a credit card and that is accessed with a credit card.

(d) "Credit card policy" means a policy adopted by resolution of a local unit under section 3.

(e) "Governing body" means any of the following:

- (i) The council, commission, or other entity vested with the legislative power of a village.
- (ii) The council or other entity vested with the legislative power of a city.
- (iii) The township board of a township.
- (iv) The county board of commissioners of a county.
- (v) The board of county road commissioners of a county.
- (vi) The board of education of a local school district.

(vii) The board of education of an intermediate school district.

(viii) The board of trustees of a community college district.

(ix) The official body to which is granted general governing powers over an authority or organization of government established by law that may issue obligations under the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821, and that may expend funds of the authority or organization.

(x) A community mental health authority created under section 205 of the mental health code, 1974 PA 258, MCL 330.1205.

(f) "Local school district" means a school district organized under the revised school code, 1976 PA 451, MCL 380.1 to 380.1852, or a district governed by a special or local act.

(g) "Local unit" means any of the following:

(i) A village.

(ii) A city.

(iii) A township.

(iv) A county.

(v) A county road commission.

(vi) A local school district.

(vii) An intermediate school district.

(viii) A community college district.

(ix) An authority or organization of government established by law that may issue obligations under the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821, and that may expend funds of the authority or organization.

(x) A community mental health authority created under section 205 of the mental health code, 1974 PA 258, MCL 330.1205.

Sec. 2. (1) Subject to sections 3 and 5, the governing body of a local unit may enter into a credit card arrangement.

(2) A credit card arrangement or the use of credit cards under this act is not subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821, or to provisions of law or charter concerning the issuance of debt by a local unit.

This act is ordered to take immediate effect.

*Carol Morey Viventi*

Secretary of the Senate.

*Jay E. Randall*

Clerk of the House of Representatives.

Approved .....

.....  
Governor.