

HOUSE BILL No. 5348

December 12, 2017, Introduced by Rep. Yaroach and referred to the Committee on Local Government.

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 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.

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

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

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

27 (a) Loans to municipalities other than school districts in

1 amounts authorized under section 3(1)(a) of the emergency municipal
2 loan act, 1980 PA 243, MCL 141.933.

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

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

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

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

17 Enacting section 2. This amendatory act does not take effect
18 unless Senate Bill No. _____ or House Bill No. 5337 (request no.
19 03826'17) of the 99th Legislature is enacted into law.