

# HOUSE BILL No. 5932

June 27, 1990, Introduced by Reps. Randall and London and referred to the Committee on Agriculture.

A bill to amend the title of Act No. 105 of the Public Acts of 1855, entitled as amended

"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 require certain reports by those 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 an appropriation; and to prescribe the duties of certain state agencies,"

as amended, being sections 21.141 to 21.147 of the Michigan Compiled Laws; and to add section 2c.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Section 1. The title of Act No. 105 of the Public Acts of  
2 1855, as amended, being sections 21.141 to 21.147 of the Michigan  
3 Compiled Laws, is amended and section 2c is added to read as  
4 follows:

## TITLE

1  
2 An act to regulate the disposition of the surplus funds in  
3 the state treasury; to provide for the deposit of surplus funds  
4 in certain financial institutions; to require certain reports by  
5 those institutions; to lend surplus funds pursuant to loan agree-  
6 ments secured by certain commercial, agricultural, or industrial  
7 real and personal property; to authorize the loan of surplus  
8 funds to certain municipalities; TO AUTHORIZE THE PARTICIPATION  
9 IN CERTAIN LOAN PROGRAMS; to authorize an appropriation; and to  
10 prescribe the duties of certain state agencies.

11 SEC. 2C. (1) THE STATE TREASURER MAY INVEST SURPLUS FUNDS  
12 UNDER THE CONTROL OF THE STATE TREASURER IN QUALIFYING FINANCIAL  
13 INSTITUTIONS TO PARTICIPATE IN LOANS THAT ENHANCE AND PROMOTE THE  
14 EXPORT SALE OF AGRICULTURAL COMMODITIES AND PRODUCTS OF THE STATE  
15 AS PROVIDED FOR IN THE MICHIGAN FARM EXPORT ACT.

16 (2) AN INVESTMENT MADE UNDER THIS SECTION IS FOUND AND  
17 DECLARED TO BE FOR A VALID PUBLIC PURPOSE.

18 (3) EARNINGS FROM A LOAN PARTICIPATION UNDER THIS SECTION  
19 SHALL BE CREDITED TO THE GENERAL FUND OF THE STATE. ANY LOSS OF  
20 PRINCIPAL OR INTEREST SUSTAINED THROUGH AN INVESTMENT UNDER THIS  
21 SECTION SHALL REDUCE THE EARNINGS OF THE GENERAL FUND ON AN AMOR-  
22 TIZED BASIS OVER THE REMAINING TERM OF THE LOAN.

23 (4) FOR THE PURPOSES OF THIS SECTION, "QUALIFYING FINANCIAL  
24 INSTITUTION" MEANS A STATE OR NATIONAL CHARTERED BANK, A STATE OR  
25 FEDERAL CHARTERED CREDIT UNION, A STATE OR FEDERAL CHARTERED SAV-  
26 INGS AND LOAN ASSOCIATION, OR AN INSTITUTION UNDER THE FARM  
27 CREDIT ACT OF 1971, PUBLIC LAW 92-181, 85 STAT. 583.

1       Section 2. This amendatory act shall not take effect unless  
2 Senate Bill No. \_\_\_\_\_ or House Bill No. \_\_\_\_\_ (request  
3 no. 05125'90) of the 85th Legislature is enacted into law.