

HOUSE BILL No. 4007

January 31, 1991, Introduced by Reps. Jaye and Willis Bullard and referred to the Committee on Corporations and Finance.

A bill to provide for the direct deposit of state warrants into financial institutions; and to prescribe the powers and duties of certain state agencies and officials.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. As used in this act:

2 (a) "Department" means the department of treasury.

3 (b) "Financial institution" means a state or nationally
4 chartered bank, a state or federally chartered savings and loan
5 association or savings bank, a state or federally chartered
6 credit union, or an affiliate or subsidiary thereof.

7 (c) "Person" means an individual, partnership, association,
8 corporation, or any other legal entity.

9 (d) "Warrant" means a written instrument that is issued by
10 the state and that authorizes the payment of money.

1 Sec. 2. The department shall establish a distribution
2 system by which a recipient of a state warrant may direct that
3 the entire amount of the warrant, or any portion thereof, be
4 directly deposited by the department into 1 or more accounts
5 maintained by the recipient with a financial institution.

6 Sec. 3. (1) The department shall promulgate rules to imple-
7 ment this act pursuant to the administrative procedures act of
8 1969, Act No. 306 of the Public Acts of 1969, being sections
9 24.201 to 24.328 of the Michigan Compiled Laws.

10 (2) The promulgated rules shall include, but are not limited
11 to, the following:

12 (a) A reimbursement schedule for the reasonable fees and
13 actual costs of the financial institution participating in the
14 program.

15 (b) The terms and conditions of any agreements between the
16 participating financial institutions and the department.

17 (c) The terms and conditions under which a third person may
18 be designated by the recipient to receive the warrant payment and
19 act as an intermediary to process the payment electronically or
20 otherwise to a financial institution on behalf of the recipient.