



SENATE BILL No. 633

May 11, 1993, Introduced by Senator DILLINGHAM and referred
to the Committee on Corporations and Economic Development.

A bill to amend section 4 of Act No. 190 of the Public Acts
of 1991, entitled

"An act to provide for the direct deposit of state employee pay-
rolls, state university payments, and state retirement benefit
payments into financial institutions; to allow any financial
institution to participate in a state employee payroll deduction
program; and to prescribe the powers and duties of certain state
agencies and officials,"

being section 487.2104 of the Michigan Compiled Laws; and to add
section 5.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 4 of Act No. 190 of the Public Acts of
2 1991, being section 487.2104 of the Michigan Compiled Laws, is
3 amended and section 5 is added to read as follows:

4 Sec. 4. (1) The department shall promulgate rules to imple-
5 ment this act pursuant to the administrative procedures act of

1 1969, Act No. 306 of the Public Acts of 1969, being sections
2 24.201 to 24.328 of the Michigan Compiled Laws.

3 (2) The promulgated rules shall include the ~~following: (a)~~
4 ~~Except as provided in subsection (3), a reasonable fee not~~
5 ~~greater than the actual costs of administering the direct deposit~~
6 ~~program to be charged to the participating financial institution~~
7 ~~or a participating employee, university, or retirement recipient,~~
8 ~~or both. (b) The terms and conditions of any agreements under~~
9 this act between the participating financial institutions and the
10 department or between the employee, university, or retirement
11 recipient and the department.

12 ~~(3) A financial institution that electronically pays to the~~
13 ~~state its sales, use, and withholding taxes shall not be charged~~
14 ~~a fee to participate in a program under this act.~~

15 (3) ~~(4)~~ A university shall not participate in the direct
16 deposit program unless the university electronically pays to the
17 state its sales, use, and withholding taxes.

18 SEC. 5. (1) THE DEPARTMENT MAY CHARGE A PARTICIPATING
19 FINANCIAL INSTITUTION OR A PARTICIPATING EMPLOYEE, UNIVERSITY, OR
20 RETIREMENT RECIPIENT, OR BOTH, A REASONABLE FEE NOT GREATER THAN
21 THE ACTUAL COSTS OF ADMINISTERING THE DIRECT DEPOSIT PROGRAM.

22 (2) A FINANCIAL INSTITUTION THAT ELECTRONICALLY PAYS TO THE
23 STATE ITS SALES, USE, AND WITHHOLDING TAXES SHALL NOT BE CHARGED
24 A FEE TO PARTICIPATE IN A PROGRAM UNDER THIS ACT.