
Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536

SFA**BILL ANALYSIS**

Telephone: (517) 373-5383
Fax: (517) 373-1986
TDD: (517) 373-0543

Senate Bill 234 (Substitute S-1 as reported)
Sponsor: Senator Michael J. Bouchard
Committee: Financial Services

CONTENT

The bill would amend the Community College Act to change the Act's definition of "financial institution". The Community College Act allows the treasurer of a community college district, if authorized by resolution of the board of trustees, to invest debt retirement funds, building and site funds, building and site sinking funds, or general funds of the district, and restricts those actions to certain types of investments. One of those authorized investments is for negotiable certificates of deposit, saving accounts, or other interest-earning deposit accounts of a "financial institution", which means a bank that is a member of the Federal Deposit Insurance Corporation (FDIC), a savings and loan association that is a member of the Federal Savings and Loan Insurance Corporation, or a credit union whose deposits are insured by the national credit union administration. Under the bill, "financial institution" would mean a State or nationally chartered bank, savings and loan association, savings bank, or credit union whose deposits were insured by an agency of the U.S. government and that maintained a principal office or branch office located in Michigan under the authority of Michigan or U.S. laws.

The Act also provides that additional funds of a community college district may not be invested or deposited in a bank, savings and loan association, or credit union that is not eligible to be a depository of surplus State funds. The bill, instead, would refer to a financial institution that was not so eligible.

MCL 389.142

Legislative Analyst: P. Affholter

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Date Completed: 3-14-97

Fiscal Analyst: M. Tyszkiewicz