

Act No. 23
Public Acts of 1997
Approved by the Governor
June 11, 1997
Filed with the Secretary of State
June 12, 1997
EFFECTIVE DATE: June 12, 1997

STATE OF MICHIGAN
89TH LEGISLATURE
REGULAR SESSION OF 1997

Introduced by Senator Bouchard

ENROLLED SENATE BILL No. 234

AN ACT to amend 1966 PA 331, entitled "An act to revise and consolidate the laws relating to community colleges; to provide for the creation of community college districts; to provide a charter for such districts; to provide for the government, control and administration of such districts; to provide for the election of a board of trustees; to define the powers and duties of the board of trustees; to provide for the assessment, levy, collection and return of taxes therefor; and to repeal certain acts and parts of acts," by amending section 142 (MCL 389.142), as amended by 1984 PA 299.

The People of the State of Michigan enact:

Sec. 142. (1) The treasurer of a community college district, if authorized by resolution of the board of trustees, may invest debt retirement funds, building and site funds, building and site sinking funds, or general funds of the district as provided in subsection (3). The investment shall be restricted to the following:

(a) Bonds, bills, or notes of the United States, or of an agency or instrumentality of the United States, or obligations of this state.

(b) Negotiable certificates of deposit, saving accounts, or other interest-earning deposit accounts of a financial institution. As used in this section, "financial institution" means a state or nationally chartered bank or a state or federally chartered savings and loan association, savings bank, or credit union whose deposits are insured by an agency of the United States government and which maintains a principal office or branch office located in this state under the laws of this state or the United States.

(c) Bankers' acceptances that are issued by a bank that is a member of the federal deposit insurance corporation.

(d) Commercial paper that is supported by an irrevocable letter of credit issued by a bank that is a member of the federal deposit insurance corporation.

(e) Commercial paper of corporations rated prime by at least 1 of the standard rating services.

(f) Mutual funds, trusts, or investment pools composed entirely of instruments that are eligible collateral.

(g) Repurchase agreements against eligible collateral, the market value of which must be maintained during the life of the agreements at levels equal to or greater than the amounts advanced. An undivided interest in the instruments pledged for these agreements must be granted to the community college.

(h) Investment pools, as authorized by the surplus funds investment pool act, 1982 PA 367, MCL 129.111 to 129.118, composed entirely of instruments that are legal for direct investment by a community college.

(2) Money in the funds of a community college district shall not be commingled for the purpose of making an investment authorized by this section, and all earnings on an investment shall become a part of the funds for which the investment was made.

(3) Notwithstanding subsection (1), additional funds of a community college district shall not be invested or deposited in a financial institution that is not eligible to be a depository of surplus funds belonging to this state under section 6 of 1855 PA 105, MCL 21.146.

(4) As used in this section, "eligible collateral" means all securities which otherwise would qualify for outright purchase under this act.

This act is ordered to take immediate effect.

Carol Morey Viventi

Secretary of the Senate.

Mary R. Bell

Clerk of the House of Representatives.

Approved _____

Governor.