

Act No. 43
Public Acts of 1997
Approved by the Governor
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STATE OF MICHIGAN
89TH LEGISLATURE
REGULAR SESSION OF 1997

Introduced by Reps. Varga and Kaza

ENROLLED HOUSE BILL No. 4595

AN ACT to amend 1909 PA 99, entitled "An act authorizing the county board of commissioners or the board of auditors in those counties having a board of county auditors, to designate a depository or depositories of public moneys received by county treasurers; prescribing the duties of certain officers; and prescribing penalties," by amending sections 1, 2, 3, 4, 6, 6a, and 10 (MCL 129.31, 129.32, 129.33, 129.34, 129.36, 129.36a, and 129.40).

The People of the State of Michigan enact:

Sec. 1. (1) The county treasurer shall deposit daily money, drafts, or checks on hand received by the treasurer as treasurer in a financial institution designated by the county board of commissioners or, if the county has a board of auditors, by the board of county auditors as provided in this act.

(2) If an authorized financial institution is not located in the county seat, deposits shall be made as soon as practicable after the funds are received by the county treasurer.

(3) This act shall not prevent the county treasurer from keeping on hand in the treasurer's office a reasonable sum necessary in conducting the affairs of the office.

(4) The money deposited in an authorized financial institution shall bear interest at the rate approved by the county board of commissioners or the board of county auditors.

(5) Assets acceptable for pledging to secure deposits of county funds are limited to any of the following:

(a) Assets considered acceptable to the state treasurer under section 3 of 1855 PA 105, MCL 21.143, to secure deposits of state surplus funds.

(b) Any of the following:

(i) Securities issued by the federal home loan mortgage corporation.

(ii) Securities issued by the federal national mortgage association.

(iii) Securities issued by the government national mortgage association.

(c) Other securities considered acceptable to the county and the financial institution.

Sec. 2. (1) The county clerk or, if the county has a board of auditors, the county board of auditors before October 1 in each year that a general election occurs, shall send notices to each financial institution in the county soliciting sealed bids for the deposit of public funds received by the treasurer of the county. The designation of a financial institution shall be for a period of 2 years.

(2) The bids shall be delivered by the clerk unopened to the county board of commissioners at its annual meeting, or to the county board of auditors at its next meeting after the receipt of the proposals by the clerk. The proposals shall be opened and read. The board for any reason may reject bids and order the disposition of the bids and funds as specified in this act. If 1 or more of the bids is satisfactory, the board may contract with the financial institution tendering the satisfactory bid or bids for the safe keeping of public funds received by the county treasurer and agreeing to give good security for the safe keeping and reimbursement of the funds when called for.

(3) The county board of commissioners or board of county auditors shall fix and determine the amount and kind of bond and the class and character of the surety executing the bond. These funds held by a financial institution or institutions are subject to being drawn on account current by the county through its proper officer.

(4) If a satisfactory bid is not received from a financial institution in the county, the county board of commissioners or the county board of auditors, by resolution, shall instruct the county clerk to request bids or to advertise for bids, or both, from financial institutions outside of the county but within the state. The resolution may specify the manner of requesting bids or of advertising, or both. The resolution shall specify the date, which shall precede the following December 31, at which time the bids shall be returnable and on that day the county board of commissioners or the county board of auditors shall hold a special meeting to open and consider the bids. Otherwise this act shall apply to all bids received and other matters pertaining to the bids.

Sec. 3. (1) Before a deposit is made with a financial institution, the institution shall execute and deliver to the county board of commissioners or the board of county auditors a bond in an amount at least equal to the maximum amount to be deposited in the financial institution, and with the sureties approved by the board and the prosecuting attorney of the county.

(2) The bonds shall be made to the county and shall be conditioned for the safe keeping and repayment of the money or a part of the money on demand and the payment of interest, and shall contain other conditions required by the county board of commissioners or the board of county auditors not inconsistent with this act. Security in any form other than a bond shall not be taken.

Sec. 4. The interest money paid by a financial institution on the deposits of a county shall be credited to and form a part of the general fund of the county.

Sec. 6. (1) If the county board of commissioners or the board of county auditors considers it unsafe to continue the deposits with a financial institution, or considers the security insufficient, it may direct the county treasurer to withdraw the deposits from the financial institution. The treasurer shall withdraw the deposits from the financial institution as directed.

(2) If a financial institution suspends payment of its deposits while it holds deposits of public money as a depository under this act, the county treasurer and the treasurer's sureties shall not be liable for the amount of a loss sustained by this suspension without the negligence of the county treasurer.

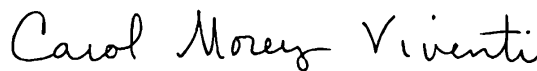
Sec. 6a. Notwithstanding section 1, additional county funds shall not be deposited in a financial institution which is not eligible to be a depository of surplus funds belonging to this state under section 6 of 1855 PA 105, MCL 21.146.

Sec. 10. As used in this act, "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.

This act is ordered to take immediate effect.



Clerk of the House of Representatives.



Secretary of the Senate.

Approved -----

Governor.