Act No. 495
Public Acts of 2000
Approved by the Governor
January 10, 2001
Filed with the Secretary of State
January 11, 2001
EFFECTIVE DATE: January 11, 2001

STATE OF MICHIGAN
90TH LEGISLATURE
REGULAR SESSION OF 2000

Introduced by Reps. Howell and Pappageorge

Reps. Allen, Basham, Birkholz, Bisbee, Bishop, Bovin, Brater, Cassis, DeHart, Dennis, Garza, Gieleghem, Gilbert, Hager, Jacobs, Jamnick, Julian, Koetje, Kuipers, Kukuk, LaSata, Law, Mead, Middaugh, Patterson, Raczkowski, Richardville, Richner, Rivet, Rocca, Sanborn, Scott, Scranton, Shackleton, Sheltrown, Shulman, Stallworth, Stamas, Tabor, Van Woerkom, Vaughn, Vear and Voorhees named co-sponsors

ENROLLED HOUSE BILL No. 5778

AN ACT to amend 1991 PA 190, entitled "An act to provide for the direct deposit of state employee payrolls, 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," by amending sections 2, 3, and 5 (MCL 487.2102, 487.2103, and 487.2105), section 5 as added by 1993 PA 100.

The People of the State of Michigan enact:

Sec. 2. (1) The bureau of retirement systems in the department of management and budget shall enroll recipients of a state retirement benefit who elect enrollment in a distribution system that directs the entire net amount of the monthly retirement benefit to be directly deposited by the department into 1 or more accounts maintained by the recipient of a state retirement benefit with 1 or more financial institutions.

(2) The department shall maintain a distribution system by which all state college and university monthly state payments will be made by electronic funds transfer on the next business day following the fifteenth of the month during a month a payment is scheduled to be made.

(3) The department shall enroll active state employees who elect enrollment in a distribution system that directly deposits their net payroll amount into 1 or more accounts at 1 or more financial institutions.

Sec. 3. The department and the department of management and budget shall establish criteria and the distribution system by which a financial institution may participate in a state payroll deduction program.

Sec. 5. (1) Beginning January 1, 1994, the department may charge a participating financial institution a reasonable fee not greater than the actual costs of administering the direct deposit program or a fee of 25 cents, whichever is less, for each transaction and prenotification. The department shall not charge or impose any fee on a participating state employee, state college or university, or state retirement recipient.

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

This act is ordered to take immediate effect.

Gary L Randall

Clerk of the House of Representatives.

Carol Morey Viventi

Secretary of the Senate.

Approved

Governor.