
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 551 (as discharged)
Sponsor: Senator Mike Goschka
Committee: Appropriations

CONTENT

The bill would amend Public Act 105 of 1855, which provides for conditions and limitations as to the types of investments that the State Treasurer may make with surplus State funds in the Department of Treasury. Senate Bill 551 would authorize the State Treasurer to make a zero interest loan of not more than \$5.0 million for the purpose assisting a sugar beet growers' cooperative in purchasing capital assets of a sugar beet processing plant. As conditions of the loan, the sugar beet processor would have to employ at least 300 full-time and 1,000 seasonal employees, the loan amount could not exceed 10% of the total value of the assets purchased, and the period of the loan could not exceed five years.

Proposed MCL 21.142e

FISCAL IMPACT

The bill would reduce the level of State surplus funds interest earnings by providing for a zero interest loan as opposed to an investment of surplus funds that would generate a positive rate of return to the State. Based on an average 5.0% return on the investment of State surplus funds, it is expected that the passage of the bill would result in an annual State General Fund/General Purpose revenue loss of \$250,000 during the outstanding term of the loan.

Date Completed: 7-11-01

Fiscal Analyst: G. Olson