

**SUBSTITUTE FOR
SENATE BILL NO. 1349**

A bill to amend 1855 PA 105, entitled

"An act to regulate the disposition of the surplus funds in the state treasury; to provide for the deposit of surplus funds in certain financial institutions; to lend surplus funds pursuant to loan agreements secured by certain commercial, agricultural, or industrial real and personal property; to authorize the loan of surplus funds to certain municipalities; to authorize the participation in certain loan programs; to authorize an appropriation; and to prescribe the duties of certain state agencies,"

by amending section 2e (MCL 21.142e), as added by 2001 PA 123.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 2e. (1) The state treasurer may loan not more than
2 \$5,000,000.00 in surplus funds, without interest, to sugar beet
3 growers' cooperatives for the purpose of purchasing the assets of
4 1 or more agricultural processors if all of the following
5 conditions are met:

6 (a) The agricultural processor employs at least 300 full-time
7 employees and 1,000 seasonal employees and is in bankruptcy

Senate Bill No. 1349 as amended September 15, 2004
as amended September 22, 2004

1 proceedings or was in bankruptcy proceedings at any time during
2 the 1-year period preceding the date of the loan.

3 (b) The loan amount does not exceed 10% of the total purchase
4 price of the agricultural processor's assets.

5 (c) The loan is for a period not to exceed 5 years.

6 (2) In addition to the conditions provided in subsection (1),
7 the state treasurer may prescribe additional terms of a loan
8 issued under this section.

9 (3) ~~A sugar beet growers' cooperative that wishes to apply~~
10 ~~for a loan under this section shall submit a loan application to~~
11 ~~the state treasurer before January 1, 2002.~~ In the case of a
12 loan executed under subsection (1), the state treasurer, as part
13 of the modification of the loan, [~~<<shall>>~~] subordinate the loan to
14 the primary loan of the sugar beet growers' cooperative and shall
15 relinquish any enforcement powers or authority that may exist
16 under the current contract or agreement. The modification shall
17 be for not more than a \$5,000,000.00 loan to a sugar beet
18 growers' cooperative for the purpose of purchasing the assets of
19 1 or more agricultural processors that employ at least 300
20 full-time employees and 1,000 seasonal employees.

21 (4) As used in this section, "sugar beet growers'
22 cooperative" means a farmer owned cooperative comprised of sugar
23 beet growers who own the assets of the cooperative and use the
24 cooperative's services or processing equipment.