

HOUSE BILL No. 4904

June 12, 2007, Introduced by Reps. Vagnozzi, Knollenberg, Alma Smith, Young, Cushingberry, David Law, Hildenbrand, LaJoy, Pearce, Pastor, Hune, Moss, Miller, Ward, Marleau, Calley, Green, DeRoche, Elsenheimer, Pavlov, Hoogendyk, Amos, Moore, Agema, Palsrok, Garfield, Shaffer, Melton, Horn, Dean, Schuitmaker, Rick Jones, Moolenaar, Stahl, Steil, Opsommer, Brandenburg, Stakoe, Booher, Meisner, Wojno, Leland, Tobocman, Hansen, Ball, Nitz, Johnson, Huizenga, Brown, Kathleen Law, Warren, Donigan, Meadows, Bennett, Jackson, Byrnes, LeBlanc, Hammel, Condino, Emmons, Casperson, Clack and Corriveau and referred to the Committee on Government Operations.

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,"

(MCL 21.141 to 21.147) by adding section 5.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 5. (1) THE STATE TREASURER SHALL NOT DEPOSIT ANY SURPLUS
2 FUNDS BELONGING TO THE STATE IN A FINANCIAL INSTITUTION WITH TOTAL
3 ASSETS OF MORE THAN \$10,000,000.00 AT THE END OF ITS LAST FULL
4 FISCAL YEAR UNLESS THE FINANCIAL INSTITUTION COMPLIES WITH
5 SUBSECTION (3).

1 (2) BEFORE MAY 1 EACH YEAR, THE STATE TREASURER SHALL PUBLISH
2 A LIST OF FINANCIAL INSTITUTIONS WITH TOTAL ASSETS OF MORE THAN
3 \$10,000,000.00 AT THE END OF THEIR LAST FULL FISCAL YEAR THAT HAVE
4 FAILED TO COMPLY WITH SUBSECTION (3). A FINANCIAL INSTITUTION THAT
5 DOES NOT APPEAR ON THAT LIST SHALL CONCLUSIVELY BE PRESUMED TO HAVE
6 COMPLIED WITH SUBSECTION (3) AND TO HAVE FILED THE REQUIRED REPORTS
7 FOR PURPOSES OF DETERMINING ITS ELIGIBILITY TO BE A DEPOSITORY OF
8 STATE FUNDS. ADDITIONAL FUNDS SHALL NOT BE DEPOSITED IN A FINANCIAL
9 INSTITUTION THAT APPEARS ON THE LIST UNTIL THE STATE TREASURER
10 CERTIFIES THAT THE FINANCIAL INSTITUTION HAS COMPLIED WITH
11 SUBSECTION (3) AND HAS FILED THE REQUIRED REPORTS, OR UNTIL 91 DAYS
12 AFTER THE END OF A SUBSEQUENT YEAR FOR WHICH THE REQUIRED REPORTS
13 ARE FILED WITH THE STATE TREASURER, WHICHEVER OCCURS SOONER.

14 (3) TO BE A DEPOSITORY OF SURPLUS FUNDS BELONGING TO THIS
15 STATE, A FINANCIAL INSTITUTION SHALL NOT KNOWINGLY MAKE OR MAINTAIN
16 A LOAN TO A TERRORIST STATE, A NATIONAL CORPORATION OF A TERRORIST
17 STATE, OR A SUBSIDIARY OR AFFILIATE OF A UNITED STATES FIRM
18 OPERATING IN A TERRORIST STATE. A FINANCIAL INSTITUTION SHALL BE
19 CONSIDERED TO HAVE COMPLIED WITH THIS SUBSECTION IF THE FINANCIAL
20 INSTITUTION HAS FILED WITH THE STATE TREASURER AN AFFIDAVIT
21 ATTESTING TO THE FACT THAT IT HAS AFTER JULY 1, 2007 NO EXISTING
22 LOANS TO A TERRORIST STATE, A NATIONAL CORPORATION OF A TERRORIST
23 STATE, OR A SUBSIDIARY OR AFFILIATE OF A UNITED STATES FIRM
24 OPERATING IN A TERRORIST STATE, AS DETERMINED BY THE STATE
25 TREASURER.

26 (4) AS USED IN THIS SUBSECTION:

27 (A) "NATIONAL CORPORATION" MEANS A CORPORATION, OR A

1 SUBSIDIARY OF AFFILIATE OF A CORPORATION, THAT IS MORE THAN 50%
2 OWNED OR OPERATED BY THE GOVERNMENT OF A TERRORIST STATE.

3 (B) "SUBSIDIARY OR AFFILIATE OF A UNITED STATES FIRM OPERATING
4 IN A TERRORIST STATE" MEANS, AS DETERMINED BY THE STATE TREASURER,
5 A FIRM INCORPORATED UNDER THE LAWS OF A TERRORIST STATE, DOMICILED
6 IN A TERRORIST STATE, AND CONTROLLED BY A UNITED STATES FIRM. A
7 SUBSIDIARY OR AFFILIATE SHALL NOT BE CONSTRUED TO MEAN A SUBSIDIARY
8 OR AFFILIATE THAT IS LOCATED IN THE UNITED STATES.

9 (C) "SURPLUS FUNDS" MEANS, AT ANY GIVEN DATE, THE EXCESS OF
10 CASH AND OTHER RECOGNIZED ASSETS, THAT ARE EXPECTED TO BE RESOLVED
11 INTO CASH OR ITS EQUIVALENT IN THE NATURAL COURSE OF EVENTS AND
12 WITH A REASONABLE CERTAINTY, OVER THE LIABILITIES AND NECESSARY
13 RESERVES AT THE SAME DATE. SURPLUS FUNDS DO NOT INCLUDE THE
14 PROCEEDS OF BOND AND NOTE ISSUES THAT ARE DEPOSITED FOR A PERIOD OF
15 NOT MORE THAN 10 DAYS IN A FINANCIAL INSTITUTION FOR SETTLEMENT
16 PURPOSES.

17 (D) "TERRORIST STATE" MEANS ALL OF THE FOLLOWING:

18 (i) THE ISLAMIC REPUBLIC OF IRAN.

19 (ii) THE DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA.

20 (iii) THE SUDAN THAT INCLUDES THE GOVERNMENT IN KHARTOUM, SUDAN,
21 WHICH IS LED BY THE NATIONAL CONGRESS PARTY OR A SUCCESSOR
22 GOVERNMENT FORMED ON OR AFTER OCTOBER 13, 2006 AND DOES NOT INCLUDE
23 THE REGIONAL GOVERNMENT OF SOUTHERN SUDAN.

24 (iv) THE SYRIAN ARAB REPUBLIC.