

SENATE SUBSTITUTE FOR  
HOUSE BILL NO. 5569

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 1 (MCL 21.141), as amended by 1987 PA 284.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 1. (1) The state treasurer shall make a loan from surplus  
2 funds to an eligible municipality, as municipality is defined in  
3 section 1 of the emergency municipal loan act, ~~Act No. 243 of the~~  
4 ~~Public Acts of 1980, being section 141.931 of the Michigan Compiled~~  
5 ~~Laws, 1980 PA 243, MCL 141.931, if the loan is approved pursuant to~~  
6 **UNDER** the emergency municipal loan act, ~~Act No. 243 of the Public~~  
7 ~~Acts of 1980, being sections 141.931 to 141.942 of the Michigan~~

1 ~~Compiled Laws-1980 PA 243, MCL 141.931 TO 141.942.~~

2 (2) A loan made under subsection (1) shall comply with the  
3 requirements of the emergency municipal loan act, ~~Act No. 243 of~~  
4 ~~the Public Acts of 1980, with respect~~ **1980 PA 243, MCL 141.931 TO**  
5 **141.942, RELATING** to the terms, conditions, rate of interest, and  
6 amount of the loan.

7 (3) Upon approval of a loan by the board and execution of a  
8 note of indebtedness to ~~the~~ **THIS** state by an authorized  
9 representative of the municipality, **INCLUDING, BUT NOT LIMITED TO,**  
10 **AN EMERGENCY MANAGER FOR THE MUNICIPALITY IF THE MUNICIPALITY IS IN**  
11 **RECEIVERSHIP UNDER THE LOCAL GOVERNMENT AND SCHOOL DISTRICT FISCAL**  
12 **ACCOUNTABILITY ACT, 2011 PA 4, MCL 141.1501 TO 141.1531, A**  
13 **SUCCESSOR STATUTE, OR, IF THE LOCAL GOVERNMENT AND SCHOOL DISTRICT**  
14 **FISCAL ACCOUNTABILITY ACT, 2011 PA 4, MCL 141.1501 TO 141.1531, IS**  
15 **REPEALED OR OTHERWISE NOT EFFECTIVE AND FORMER 1990 PA 72 IS**  
16 **REENACTED OR OTHERWISE AGAIN IN EFFECT OR APPLICABLE, AN EMERGENCY**  
17 **FINANCIAL MANAGER FOR THE MUNICIPALITY IF THE MUNICIPALITY HAS A**  
18 **FINANCIAL EMERGENCY UNDER FORMER 1990 PA 72, the state treasurer**  
19 shall issue a warrant to the municipality in an amount equal to the  
20 amount of the loan.

21 (4) ~~The~~ **FOR STATE FISCAL YEARS BEGINNING BEFORE OCTOBER 1,**  
22 **2011, THE** total amount of loans made from surplus funds pursuant to  
23 this section in any 1 **STATE** fiscal year shall not exceed  
24 \$5,000,000.00 plus the amount of any loans authorized by section  
25 3(2) of the emergency municipal loan act, ~~Act No. 243 of the Public~~  
26 ~~Acts of 1980, being section 141.933 of the Michigan Compiled~~  
27 ~~Laws-1980 PA 243, MCL 141.933.~~ **FOR STATE FISCAL YEARS BEGINNING**

1 AFTER SEPTEMBER 30, 2018, THE TOTAL AMOUNT OF LOANS MADE FROM  
2 SURPLUS FUNDS PURSUANT TO THIS SECTION IN ANY 1 STATE FISCAL YEAR  
3 SHALL NOT EXCEED \$10,000,000.00 PLUS THE AMOUNT OF ANY LOANS  
4 AUTHORIZED BY SECTION 3(2) OF THE EMERGENCY MUNICIPAL LOAN ACT,  
5 1980 PA 243, MCL 141.933, WITH NO LOAN TO A SINGLE MUNICIPALITY  
6 EXCEEDING \$4,000,000.00 IN A STATE FISCAL YEAR. FOR THE PERIOD  
7 BEGINNING ON OCTOBER 1, 2011 AND ENDING ON SEPTEMBER 30, 2018,  
8 LOANS MADE FROM SURPLUS FUNDS PURSUANT TO THIS SECTION MAY INCLUDE  
9 BOTH OF THE FOLLOWING:

10 (A) LOANS TO MUNICIPALITIES OTHER THAN SCHOOL DISTRICTS  
11 TOTALING UP TO \$35,000,000.00 DURING THE PERIOD. LOANS TO A SINGLE  
12 MUNICIPALITY UNDER THIS SUBDIVISION SHALL NOT TOTAL MORE THAN  
13 \$20,000,000.00.

14 (B) LOANS TO SCHOOL DISTRICTS WITHIN THIS STATE THAT TOTAL UP  
15 TO \$50,000,000.00 DURING THE PERIOD. LOANS TO A SINGLE SCHOOL  
16 DISTRICT UNDER THIS SUBDIVISION SHALL NOT TOTAL MORE THAN  
17 \$20,000,000.00.

18 (5) THE STATE TREASURER MAY SELL, ASSIGN, TRANSFER, OR  
19 REPURCHASE LOANS MADE FROM SURPLUS FUNDS UNDER THIS SECTION OR FROM  
20 THE PROCEEDS OF THE SALE, ASSIGNMENT, OR TRANSFER OF A LOAN UNDER  
21 SECTION 6A OF THE EMERGENCY MUNICIPAL LOAN ACT, 1980 PA 243, MCL  
22 141.936A. THE STATE TREASURER SHALL USE SURPLUS FUNDS TO REPURCHASE  
23 A LOAN UNDER THIS SUBSECTION.

24 (6) ~~(5)~~As used in this section, "board" means the local  
25 emergency financial assistance loan board created pursuant to the  
26 emergency municipal loan act, ~~Act No. 243 of the Public Acts of~~  
27 ~~1980.~~ 1980 PA 243, MCL 141.931 TO 141.942.

1           Enacting section 1. This amendatory act does not take effect  
2 unless all of the following bills of the 96th Legislature are  
3 enacted into law:

4           (a) House Bill No. 5566.

5           (b) House Bill No. 5567.

6           (c) House Bill No. 5568.

7           (d) House Bill No. 5570.