

SENATE BILL No. 978

June 11, 2014, Introduced by Senator KAHN and referred to the Committee on Appropriations.

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 2012 PA 287.

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, 1980 PA 243, MCL
4 141.931, if the loan is approved under the emergency municipal loan
5 act, 1980 PA 243, MCL 141.931 to 141.942.

1 (2) A loan made under subsection (1) shall comply with the
2 requirements of the emergency municipal loan act, 1980 PA 243, MCL
3 141.931 to 141.942, relating to the terms, conditions, rate of
4 interest, and amount of the loan.

5 (3) Upon approval of a loan by the board and execution of a
6 note of indebtedness to this state by an authorized representative
7 of the municipality, including, but not limited to, an emergency
8 manager for the municipality if the municipality is in receivership
9 under the ~~local government and school district fiscal~~
10 ~~accountability act, 2011 PA 4, MCL 141.1501 to 141.1531, a~~
11 ~~successor statute, or, if the local government and school district~~
12 ~~fiscal accountability act, 2011 PA 4, MCL 141.1501 to 141.1531, is~~
13 ~~repealed or otherwise not effective and former 1990 PA 72 is~~
14 ~~reenacted or otherwise again in effect or applicable, an emergency~~
15 ~~financial manager for the municipality if the municipality has a~~
16 ~~financial emergency under former 1990 PA 72, LOCAL FINANCIAL~~
17 **STABILITY AND CHOICE ACT, 2012 PA 436, MCL 141.1541 TO 141.1575,**
18 the state treasurer shall issue a warrant to the municipality in an
19 amount equal to the amount of the loan.

20 (4) For state fiscal years beginning before October 1, 2011,
21 the total amount of loans made from surplus funds pursuant to this
22 section in any 1 state fiscal year shall not exceed \$5,000,000.00
23 plus the amount of any loans authorized by section 3(2) of the
24 emergency municipal loan act, 1980 PA 243, MCL 141.933. For state
25 fiscal years beginning after September 30, 2018, the total amount
26 of loans made from surplus funds pursuant to this section in any 1
27 state fiscal year shall not exceed \$10,000,000.00 plus the amount

Senate Bill No. 978 as amended December 3, 2014

1 of any loans authorized by section 3(2) of the emergency municipal
2 loan act, 1980 PA 243, MCL 141.933, with no loan to a single
3 municipality exceeding \$4,000,000.00 in a state fiscal year. For
4 the period beginning on October 1, 2011 and ending on September 30,
5 2018, loans made from surplus funds pursuant to this section may
6 include both of the following:

7 (a) Loans to municipalities other than school districts
8 ~~totaling up to \$35,000,000.00 during the period. Loans to a single~~
9 ~~municipality under this subdivision shall not total more than~~
10 ~~\$20,000,000.00.~~ **IN AMOUNTS AUTHORIZED UNDER SECTION 3(1)(A) OF THE**
11 **EMERGENCY MUNICIPAL LOAN ACT, 1980 PA 243, MCL 141.933.**

12 (b) Loans to school districts ~~within this state that total up~~
13 ~~to \$50,000,000.00 during the period. Loans to a single school~~
14 ~~district under this subdivision shall not total more than~~
15 ~~\$20,000,000.00.~~ **IN AMOUNTS AUTHORIZED UNDER SECTION 3(1)(B) OF THE**
16 **EMERGENCY MUNICIPAL LOAN ACT, 1980 PA 243, MCL 141.933.**

17 (5) The state treasurer may sell, assign, transfer, or
18 repurchase loans made from surplus funds under this section or from
19 the proceeds of the sale, assignment, or transfer of a loan under
20 section 6a of the emergency municipal loan act, 1980 PA 243, MCL
21 141.936a. The state treasurer shall use surplus funds to repurchase
22 a loan under this subsection.

23 (6) As used in this section, "board" means the local emergency
24 financial assistance loan board created pursuant to the emergency
25 municipal loan act, 1980 PA 243, MCL 141.931 to 141.942.

<<Enacting section 1. This amendatory act does not take
effect unless Senate Bill No. 957 of the 97th Legislature is
enacted into law.>>