

SURPLUS FUNDS IN TREASURY (EXCERPT)

Act 105 of 1855

21.141 Loan to eligible municipality; approval; compliance; warrant; limitation on total amount of loans; sale, assignment, transfer, or repurchase of loans; "board" defined.

Sec. 1. (1) The state treasurer shall make a loan from surplus funds to an eligible municipality, as municipality is defined in section 1 of the emergency municipal loan act, 1980 PA 243, MCL 141.931, if the loan is approved under the emergency municipal loan act, 1980 PA 243, MCL 141.931 to 141.942.

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

(3) Upon approval of a loan by the board and execution of a note of indebtedness to this state by an authorized representative of the municipality, including, but not limited to, an emergency manager for the municipality if the municipality is in receivership under the local financial stability and choice act, 2012 PA 436, MCL 141.1541 to 141.1575, the state treasurer shall issue a warrant to the municipality in an amount equal to the amount of the loan.

(4) For state fiscal years beginning before October 1, 2011, the total amount of loans made from surplus funds pursuant to this section in any 1 state fiscal year shall not exceed \$5,000,000.00 plus the amount of any loans authorized by section 3(2) of the emergency municipal loan act, 1980 PA 243, MCL 141.933. For state fiscal years beginning after September 30, 2018, the total amount of loans made from surplus funds pursuant to this section in any 1 state fiscal year shall not exceed \$10,000,000.00 plus the amount of any loans authorized by section 3(2) of the emergency municipal loan act, 1980 PA 243, MCL 141.933, with no loan to a single municipality exceeding \$4,000,000.00 in a state fiscal year. For the period beginning on October 1, 2011 and ending on September 30, 2018, loans made from surplus funds pursuant to this section may include both of the following:

(a) Loans to municipalities other than school districts in amounts authorized under section 3(1)(a) of the emergency municipal loan act, 1980 PA 243, MCL 141.933.

(b) Loans to school districts in amounts authorized under section 3(1)(b) of the emergency municipal loan act, 1980 PA 243, MCL 141.933.

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

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

History: Add. 1980, Act 323, Imd. Eff. Dec. 15, 1980;—Am. 1987, Act 284, Eff. Apr. 11, 1988;—Am. 2012, Act 287, Imd. Eff. Aug. 1, 2012;—Am. 2015, Act 116, Imd. Eff. July 7, 2015.