

DEPOSITORIES FOR PUBLIC MONEYS
Act 40 of 1932 (1st Ex. Sess.)

AN ACT to provide for the designation of depositories for public moneys; to prescribe the effect thereof on the liability for such deposits; to suspend the requirement of surety bonds from depositories of public moneys; and to repeal all acts and parts of acts inconsistent with the provisions of this act.

History: 1932, 1st Ex. Sess., Act 40, Imd. Eff. May 14, 1932.

The People of the State of Michigan enact:

129.11 Public moneys; definition.

Sec. 1. All moneys which shall come into the hands of any officer of any county, or of any township, school district, city or village, or of any other municipal or public corporation within this state, pursuant to any provision of law authorizing such officer to collect or receive the same, shall be denominated public moneys within the meaning of this act.

History: 1932, 1st Ex. Sess., Act 40, Imd. Eff. May 14, 1932;—CL 1948, 129.11.

129.12 Resolution providing for designation and deposit of public money; limitation on acceptable assets; conduct of proceedings; designation of depositories; deposit of funds; liability.

Sec. 2. (1) The county board of commissioners, or board of county auditors in a county in which there is a board of county auditors, the township board of a township, the district board, or board of education of a school district, or the legislative body of a city or village shall provide by resolution for the designation and deposit of public money, including tax money, coming into the possession of the county treasurer, township treasurer, school district treasurer, city treasurer or tax collector, or village treasurer, in 1 or more financial institutions in the proportion and manner as may be provided in the resolution.

(2) Assets acceptable for pledging to secure deposits of public funds are limited to any of the following:

(a) Assets considered acceptable to the state treasurer under section 3 of 1855 PA 105, MCL 21.143, to secure deposits of state surplus funds.

(b) Any of the following:

(i) Securities issued by the federal home loan mortgage corporation.

(ii) Securities issued by the federal national mortgage association.

(iii) Securities issued by the government national mortgage association.

(c) Other securities considered acceptable to the depositor of public funds and the financial institution.

(3) All proceedings in connection with the deposit of money shall be conducted and be governed under section 4 and applicable law not in conflict with this act. Upon designation of a financial institution or institutions in compliance with this act, the treasurer or tax collector shall deposit all funds coming into the treasurer's possession, including tax money in the treasurer's name as treasurer or tax collector, and in the proportion and manner as may be provided by the resolution.

(4) As to a deposit or deposits made in a designated financial institution in accordance with the resolution, neither the treasurer or tax collector, nor the sureties on their respective bonds, shall be liable for a loss occasioned or sustained by the failure or default of the designated financial institution. This exemption from liability shall apply even though a requirement of a statute provides for the furnishing of a bond by depositories of public money. The treasurer or tax collector and the sureties on their respective bonds shall be liable for all money not deposited under this act.

History: 1932, 1st Ex. Sess., Act 40, Imd. Eff. May 14, 1932;—CL 1948, 129.12;—Am. 1979, Act 84, Imd. Eff. Aug. 1, 1979;—Am. 1997, Act 31, Imd. Eff. June 19, 1997;—Am. 1997, Act 33, Imd. Eff. June 19, 1997.

129.13 Repealed. 1997, Act 31, Imd. Eff. June 19, 1997.

Compiler's note: The repealed section pertained to prohibited security.

129.14 Deposit or investment of additional funds; limitation.

Sec. 4. Notwithstanding section 2, additional funds coming into the possession of a county treasurer, township treasurer, school district treasurer, city treasurer or tax collector, or village treasurer shall not be deposited or invested in a financial institution that is not eligible to be a depository of surplus funds belonging to the state under section 6 of 1855 PA 105, MCL 21.146.

History: Add. 1979, Act 84, Imd. Eff. Aug. 1, 1979;—Am. 1997, Act 31, Imd. Eff. June 19, 1997;—Am. 1997, Act 33, Imd. Eff. June 19, 1997.

129.15 “Deposit” defined.

Sec. 5. As used in this act, “deposit” includes purchase of, or investment in, shares of a credit union.

History: Add. 1979, Act 84, Imd. Eff. Aug. 1, 1979.

129.16 “Financial institution” defined; financial institution not maintaining principal or branch office in state; designation and deposit of public money.

Sec. 6. (1) As used in this act, “financial institution” means a state or nationally chartered bank or a state or federally chartered savings and loan association, savings bank, or credit union whose deposits are insured by an agency of the United States government and, except as provided in subsection (2), maintains a principal office or branch office located in this state under the laws of this state or the United States.

(2) A governmental unit described in section 2 may designate and deposit public money, including tax money, in 1 or more financial institutions that do not maintain a principal office or branch office in this state if all of the following apply:

(a) The governmental unit borders another state.

(b) The financial institution maintains a principal office or branch office in the border state under the laws of this state or the United States.

(c) There is no principal office or branch office of a state or nationally chartered bank or a state or federally chartered savings and loan association, savings bank, or credit union whose deposits are insured by an agency of the United States government that maintains a principal office or a branch office in the governmental unit.

History: Add. 1997, Act 31, Imd. Eff. June 19, 1997;—Add. 1997, Act 33, Imd. Eff. June 19, 1997.

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