

DEPOSITORIES FOR PUBLIC MONEYS
Act 99 of 1909

AN ACT authorizing the county board of commissioners or the board of auditors in those counties having a board of county auditors, to designate a depository or depositories of public moneys received by county treasurers; prescribing the duties of certain officers; and prescribing penalties.

History: 1909, Act 99, Eff. Sept. 1, 1909;—Am. 1911, Act 212, Eff. Aug. 1, 1911;—Am. 1979, Act 86, Imd. Eff. Aug. 1, 1979.

The People of the State of Michigan enact:

129.31 Deposit of money, drafts, or checks in designated financial institution; keeping sum on hand in treasurer's office; interest; secured deposits; limitation on acceptable assets.

Sec. 1. (1) The county treasurer shall deposit daily money, drafts, or checks on hand received by the treasurer as treasurer in a financial institution designated by the county board of commissioners or, if the county has a board of auditors, by the board of county auditors as provided in this act.

(2) If an authorized financial institution is not located in the county seat, deposits shall be made as soon as practicable after the funds are received by the county treasurer.

(3) This act shall not prevent the county treasurer from keeping on hand in the treasurer's office a reasonable sum necessary in conducting the affairs of the office.

(4) The money deposited in an authorized financial institution shall bear interest at the rate approved by the county board of commissioners or the board of county auditors.

(5) Assets acceptable for pledging to secure deposits of county 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 county and the financial institution.

History: 1909, Act 99, Eff. Sept. 1, 1909;—Am. 1911, Act 212, Eff. Aug. 1, 1911;—CL 1915, 2376;—Am. 1929, Act 135, Eff. Aug. 28, 1929;—CL 1929, 1193;—CL 1948, 129.31;—Am. 1979, Act 86, Imd. Eff. Aug. 1, 1979;—Am. 1997, Act 43, Imd. Eff. June 30, 1997.

129.32 Notices soliciting sealed bids for deposit of public funds; designation of financial institution; period; rejection of bids; contract with financial institution; bond; surety; drawing on funds; requesting or advertising for bids outside of county; resolution.

Sec. 2. (1) The county clerk or, if the county has a board of auditors, the county board of auditors before October 1 in each year that a general election occurs, shall send notices to each financial institution in the county soliciting sealed bids for the deposit of public funds received by the treasurer of the county. The designation of a financial institution shall be for a period of 2 years.

(2) The bids shall be delivered by the clerk unopened to the county board of commissioners at its annual meeting, or to the county board of auditors at its next meeting after the receipt of the proposals by the clerk. The proposals shall be opened and read. The board for any reason may reject bids and order the disposition of the bids and funds as specified in this act. If 1 or more of the bids is satisfactory, the board may contract with the financial institution tendering the satisfactory bid or bids for the safe keeping of public funds received by the county treasurer and agreeing to give good security for the safe keeping and reimbursement of the funds when called for.

(3) The county board of commissioners or board of county auditors shall fix and determine the amount and kind of bond and the class and character of the surety executing the bond. These funds held by a financial institution or institutions are subject to being drawn on account current by the county through its proper officer.

(4) If a satisfactory bid is not received from a financial institution in the county, the county board of commissioners or the county board of auditors, by resolution, shall instruct the county clerk to request bids or to advertise for bids, or both, from financial institutions outside of the county but within the state. The resolution may specify the manner of requesting bids or of advertising, or both. The resolution shall specify the date, which shall precede the following December 31, at which time the bids shall be returnable and on that day the county board of commissioners or the county board of auditors shall hold a special meeting to open and consider the bids. Otherwise this act shall apply to all bids received and other matters pertaining to

the bids.

History: 1909, Act 99, Eff. Sept. 1, 1909;—Am. 1911, Act 212, Eff. Aug. 1, 1911;—CL 1915, 2377;—Am. 1929, Act 135, Eff. Aug. 28, 1929;—CL 1929, 1194;—CL 1948, 129.32;—Am. 1979, Act 86, Imd. Eff. Aug. 1, 1979;—Am. 1997, Act 43, Imd. Eff. June 30, 1997.

129.33 Bond.

Sec. 3. (1) Before a deposit is made with a financial institution, the institution shall execute and deliver to the county board of commissioners or the board of county auditors a bond in an amount at least equal to the maximum amount to be deposited in the financial institution, and with the sureties approved by the board and the prosecuting attorney of the county.

(2) The bonds shall be made to the county and shall be conditioned for the safe keeping and repayment of the money or a part of the money on demand and the payment of interest, and shall contain other conditions required by the county board of commissioners or the board of county auditors not inconsistent with this act. Security in any form other than a bond shall not be taken.

History: 1909, Act 99, Eff. Sept. 1, 1909;—CL 1915, 2378;—CL 1925, 1195;—CL 1948, 129.33;—Am. 1979, Act 86, Imd. Eff. Aug. 1, 1979;—Am. 1997, Act 43, Imd. Eff. June 30, 1997.

129.34 Disposition of interest money.

Sec. 4. The interest money paid by a financial institution on the deposits of a county shall be credited to and form a part of the general fund of the county.

History: 1909, Act 99, Eff. Sept. 1, 1909;—CL 1915, 2379;—CL 1929, 1196;—CL 1948, 129.34;—Am. 1979, Act 86, Imd. Eff. Aug. 1, 1979;—Am. 1997, Act 43, Imd. Eff. June 30, 1997.

129.35 Additional bonds.

Sec. 5. The board of supervisors or the board of county auditors is hereby authorized to require new and additional bonds or security from the county treasurer and from the depository or depositories at any time or times, when it shall deem the interest of the county requires it shall be done to protect the county against loss or risk of loss of any moneys deposited or to be deposited with such county treasurer or county depository or depositories.

History: 1909, Act 99, Eff. Sept. 1, 1909;—CL 1915, 2380;—CL 1929, 1197;—CL 1948, 129.35.

129.36 Withdrawal of deposits; suspending payment of deposits; liability.

Sec. 6. (1) If the county board of commissioners or the board of county auditors considers it unsafe to continue the deposits with a financial institution, or considers the security insufficient, it may direct the county treasurer to withdraw the deposits from the financial institution. The treasurer shall withdraw the deposits from the financial institution as directed.

(2) If a financial institution suspends payment of its deposits while it holds deposits of public money as a depository under this act, the county treasurer and the treasurer's sureties shall not be liable for the amount of a loss sustained by this suspension without the negligence of the county treasurer.

History: 1909, Act 99, Eff. Sept. 1, 1909;—CL 1915, 2381;—CL 1929, 1198;—CL 1948, 129.36;—Am. 1979, Act 86, Imd. Eff. Aug. 1, 1979;—Am. 1997, Act 43, Imd. Eff. June 30, 1997.

129.36a Deposit of additional county funds; limitation.

Sec. 6a. Notwithstanding section 1, additional county funds shall not be deposited in a financial institution which is not eligible to be a depository of surplus funds belonging to this state under section 6 of 1855 PA 105, MCL 21.146.

History: Add. 1979, Act 86, Imd. Eff. Aug. 1, 1979;—Am. 1997, Act 43, Imd. Eff. June 30, 1997.

129.37 Board of county auditors; powers and duties.

Sec. 7. All powers conferred and duties imposed upon the boards of supervisors or the boards of county auditors under the provisions of this act, shall, in those counties having a board of county auditors, be exercised and performed by such board of county auditors exclusively.

History: 1909, Act 99, Eff. Sept. 1, 1909;—CL 1915, 2382;—CL 1929, 1199;—CL 1948, 129.37.

129.37a "Deposit" defined.

Sec. 7a. As used herein, "deposit" includes purchase of or investment in shares of credit unions.

History: Add. 1979, Act 86, Imd. Eff. Aug. 1, 1979.

129.38 County treasurer; accounts with banks.

Sec. 8. It shall be the duty of the county treasurer to keep the accounts of the treasurer with all banks or depositories, where any moneys may be kept or deposited, upon the regular books of his office, so that each item of all such accounts shall appear thereon. All items of interest, which may become due to the county from depositories, shall be entered on the books of the treasurer when received in such a manner that it shall appear upon what account and for what time such interest accrued.

History: 1909, Act 99, Eff. Sept. 1, 1909;—Am. 1911, Act 212, Eff. Aug. 1, 1911;—CL 1915, 2383;—CL 1929, 1200;—CL 1948, 129.38.

129.38a “Interest” defined.

Sec. 8a. As used herein, “interest” includes dividends on credit union shares.

History: Add. 1979, Act 86, Imd. Eff. Aug. 1, 1979.

129.39 Violation of act; penalty.

Sec. 9. Any person guilty of a violation of any of the provisions of this act shall on conviction thereof be punished by a fine not exceeding 500 dollars or imprisonment in the county jail not exceeding 6 months, or both such fine and imprisonment in the discretion of the court.

History: 1909, Act 99, Eff. Sept. 1, 1909;—CL 1915, 2384;—CL 1929, 1201;—CL 1948, 129.39.

129.40 “Financial institution” defined.

Sec. 10. 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 which maintains a principal office or branch office located in this state under the laws of this state or the United States.

History: Add. 1911, Act 212, Eff. Aug. 1, 1911;—CL 1915, 2385;—CL 1929, 1202;—CL 1948, 129.40;—Am. 1997, Act 43, Imd. Eff. June 30, 1997.

CAUTION
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