

**SUBSTITUTE FOR
HOUSE BILL NO. 6122**

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 2e (MCL 21.142e), as added by 2001 PA 123.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 2e. (1) The state treasurer may loan not more than
2 \$5,000,000.00 in surplus funds, without interest, to sugar beet
3 growers' cooperatives for the purpose of purchasing the assets of
4 1 or more agricultural processors if all of the following
5 conditions are met:

6 (a) The agricultural processor employs at least 300 full-time
7 employees and 1,000 seasonal employees and is in bankruptcy

1 proceedings or was in bankruptcy proceedings at any time during
2 the 1-year period preceding the date of the loan.

3 (b) The loan amount does not exceed 10% of the total purchase
4 price of the agricultural processor's assets.

5 (c) The loan is for a period not to exceed 5 years.

6 (2) In addition to the conditions provided in subsection (1),
7 the state treasurer may prescribe additional terms of a loan
8 issued under this section.

9 (3) ~~A sugar beet growers' cooperative that wishes to apply~~
10 ~~for a loan under this section shall submit a loan application to~~
11 ~~the state treasurer before January 1, 2002.~~ **In the case of a**
12 **loan executed under subsection (1), the state treasurer, as part**
13 **of the modification of the loan, shall subordinate the loan to**
14 **the primary loan of the sugar beet growers' cooperative and shall**
15 **relinquish any enforcement powers or authority that may exist**
16 **under the current contract or agreement. The modification shall**
17 **be for not more than a \$5,000,000.00 loan to a sugar beet**
18 **growers' cooperative for the purpose of purchasing the assets of**
19 **1 or more agricultural processors that employ at least 300**
20 **full-time employees and 1,000 seasonal employees. [**

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24 (4) As used in this section, "sugar beet growers'
25 cooperative" means a farmer owned cooperative comprised of sugar
26 beet growers who own the assets of the cooperative and use the
27 cooperative's services or processing equipment.