

Legislative Analysis



REPEAL SAVINGS AND LOAN ACT OF 1980

Mary Ann Cleary, Director
Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

House Bill 5835
Sponsor: Rep. Jeff Farrington

House Bill 5837
Sponsor: Rep. Kevin Cotter

House Bill 5836
Sponsor: Rep. Nancy Jenkins
Committee: Banking and Financial Services
Complete to 9-7-12

House Bill 5838
Sponsor: Rep. Matt Huuki

A SUMMARY OF HOUSE BILLS 5835- 5838 AS INTRODUCED 8-15-12

House Bill 5835 would repeal the Savings and Loan Act of 1980. House Bills 5836-5838 would make related amendments to other acts to reflect the repeal.

The act's repeal was one of the recommendations from the Insurance and Finance Advisory Rules Committee (ARC) to the Office of Regulatory Reinvention. The committee's report noted, "the State Savings and Loan Act does not appear to serve any purpose. No institutions are currently or expected to be chartered under the Act." The committee said, "the Act and any associated rules should be repealed as they are obsolete and unused."

(The Insurance and Finance Advisory Rules Committee (ARC) was created by the Office of Regulatory Reinvention (ORR), in accordance with Executive Order 2011 5.)

Under House Bill 5835, Articles 2 through 11 of the Savings and Loan Act would be repealed effective December 31, 2012, and the entire act would be repealed effective June 1, 2013.

Each of the other bills would amend a separate act to refer to the **former** Savings and Loan Act.

House Bill 5836 would amend an act that authorizes financial institutions to make electronic funds transfer terminals available to customers, Public Act 322 of 1978.

House Bill 5837 would amend Public Act 43 of 1973, which permits various institutions to process food stamps.

House Bill 5838 would amend Sections 5451(bankruptcy) and 6023 (levy and sale of property) of the Revised Judicature Act.

House Bills 5836-5838 are tie-barred to House Bill 5835, meaning they would not take effect unless House Bill 5835 is enacted.

FISCAL IMPACT:

House Bill 5835 would not have a significant fiscal impact on the Office of Financial and Insurance Regulation (OFIR). House Bill 5835 would repeal the Savings and Loan Act of 1980, under which OFIR regulated savings and loan associations within the state. The last remaining savings and loan associations within Michigan were dissolved approximately twenty years ago. Some of the savings and loan associations within the state reorganized as savings banks which are regulated by OFIR under the Savings Bank Act of 1996.

House Bills 5836, 5837, and 5838 would not have a significant fiscal impact on state or local governments as the bills make only technical adjustments to the Electric Funds Transfers Act, Food Stamps Act, and Revised Judicature Act.

Legislative Analyst: E. Best
Fiscal Analyst: Paul Holland

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