



Senate Fiscal Agency  
P. O. Box 30036  
Lansing, Michigan 48909-7536

## BILL ANALYSIS



Telephone: (517) 373-5383  
Fax: (517) 373-1986

House Bills 5835 through 5838 and 5863 (as passed by the House)

Sponsor: Representative Jeff Farrington (H.B. 5835)  
Representative Nancy Jenkins (H.B. 5836)  
Representative Kevin Cotter (H.B. 5837)  
Representative Matt Huuki (H.B. 5838)  
Representative Ray Franz (H.B. 5863)

House Committee: Banking and Financial Services

Senate Committee: Banking and Financial Institutions

Date Completed: 11-28-12

## **CONTENT**

**House Bill 5835 would repeal the Savings and Loan Act.**

**House Bills 5836, 5837, 5838, and 5863 would amend various statutes to refer to the "former" Savings and Loan Act.**

The bills are tie-barred to House Bill 5835, and would take effect on December 31, 2012.

### **House Bill 5835**

The Savings and Loan Act was enacted in 1980 and replaced the Savings and Loan Association Act of 1964. The current Act consists of 12 articles. Article 1 states the Act's short title and contains definitions. Articles 2 through 11 provide for the organization, operation, and oversight of State-chartered savings and loan associations. Article 12 repealed most sections of the 1964 statute and provided for the 1980 Act to take effect on January 1, 1981.

The bill would repeal Articles 2 through 11 on December 31, 2012, and would repeal the Act on June 1, 2013.

### **House Bills 5836, 5837, 5838, and 5863**

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

House Bill 5837 would amend Public Act 43 of 1973, which authorizes associations, institutions, and credit unions to process or handle food stamps.

House Bill 5838 would amend the Revised Judicature Act.

House Bill 5863 would amend the Motor Vehicle Sales Finance Act.

In provisions of these Acts that refer to the Savings and Loan Act or sections of it, the bills would add the term "former".

MCL 491.102-491.1202 (H.B. 4835)  
488.2 (H.B. 5836)  
400.171 (H.B. 5837)  
600.5451 & 600.6023 (H.B. 5838)  
492.136 (H.B. 5863)

## **BACKGROUND**

Executive Order 2011-5 created the Office of Regulatory Reinvention (ORR) within the Department of Licensing and Regulatory Affairs and charged the ORR with "creating a regulatory environment and regulatory processes that are fair, efficient, and conducive to business growth and job creation through its oversight and review of current rules and regulations and proposed rule making and regulatory activities by all departments and agencies".

The Executive Order required the Office of Regulatory Reinvention to report to the Governor after considering recommendations of advisory rules committees formed by the ORR in specific areas. The Insurance and Finance Advisory Rules Committee was charged with evaluating and making recommendations for changes to Michigan's insurance and finance-related regulations.

The Committee made 46 recommendations in an October 2011 report to the ORR. Recommendation #2 was to repeal the Savings and Loan Act and any associated rules. According to the Committee's report, "The...Act does not appear to serve any purpose. No institutions are currently or expected to be chartered under the Act."

Legislative Analyst: Suzanne Lowe

## **FISCAL IMPACT**

The bills would have no fiscal impact on State or local government.

Fiscal Analyst: Josh Sefton

S1112\s5835sa

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.