

HOUSE BILL No. 4136

February 7, 1991, Introduced by Reps. O'Neill and Jondahl and referred to the Committee on Taxation.

A bill to amend sections 3 and 4 of Act No. 112 of the Public Acts of 1961, entitled

"An act to authorize and provide for the issuance and sale of bonds and notes of the state; to provide funds for making loans to school districts for payment of principal and interest on certain school bonds; and to provide for use of moneys repaid to the state by school districts,"

being sections 388.983 and 388.984 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Sections 3 and 4 of Act No. 112 of the Public
2 Acts of 1961, being sections 388.983 and 388.984 of the Michigan
3 Compiled Laws, are amended to read as follows:

4 Sec. 3. (1) For the prompt payment of the principal and
5 interest upon each bond or note issued under this act, the full
6 faith and credit of the state are pledged, and there is ~~hereby~~
7 appropriated each year during the life of these bonds or notes

1 from the general fund ~~—~~ a sufficient amount to pay the
2 principal and interest on ~~said~~ THE bonds or notes maturing each
3 year.

4 (2) FOR THE 1990-91 STATE FISCAL YEAR ONLY, THERE IS APPRO-
5 PRIATED FROM THE GENERAL FUND A SUFFICIENT AMOUNT TO PAY THE
6 PRINCIPAL AND INTEREST UPON EACH BOND OR NOTE ISSUED UNDER THIS
7 ACT THAT BECOMES DUE ON OR BEFORE SEPTEMBER 30, 1991 AND TO PRO-
8 VIDE FOR THE DEFEASANCE OF THE PRINCIPAL AND INTEREST AND ANY
9 REDEMPTION PREMIUM ON EACH BOND OR NOTE DUE AFTER SEPTEMBER 30,
10 1991 TO THE EXTENT THE STATE ADMINISTRATIVE BOARD PROVIDES BY
11 RESOLUTION FOR THAT DEFEASANCE TO BE MADE FROM THIS
12 APPROPRIATION.

13 Sec. 4. (1) Any ~~moneys~~ MONEY repaid by school districts
14 BEFORE OCTOBER 1, 1991 on loans made from the school bond loan
15 fund shall ~~first be used to pay principal and interest on out-~~
16 ~~standing bonds or notes issued under the provisions of this act~~
17 ~~becoming due during the next ensuing 12 month period and any~~
18 ~~expenses incurred in connection therewith. Any moneys thereafter~~
19 ~~remaining may be deposited in the school bond loan fund and used~~
20 ~~for the purpose for which such fund is established.~~ BE DEPOSITED
21 IN THE SCHOOL BOND LOAN FUND. ANY MONEY REPAID BY SCHOOL DIS-
22 TRICTS ON OR AFTER OCTOBER 1, 1991 ON LOANS MADE FROM THE SCHOOL
23 BOND LOAN FUND SHALL BE DEPOSITED IN THE GENERAL FUND.

24 (2) EFFECTIVE AT 5:30 P.M. ON SEPTEMBER 30, 1991, ALL MONEY
25 IN THE SCHOOL BOND LOAN FUND IS TRANSFERRED TO THE GENERAL FUND.

1 Section 2. This amendatory act shall not take effect unless
2 Senate Bill No. _____ or House Bill No. 4137 (request
3 no. 02470'91) of the 86th Legislature is enacted into law.