

HOUSE BILL No. 4904

June 4, 1991, Introduced by Rep. Jacobetti and referred to the Committee on Appropriations.

A bill to amend the title and sections 2, 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 388.982, 388.983, and 388.984 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. The title and sections 2, 3, and 4 of Act
2 No. 112 of the Public Acts of 1961, being sections 388.982,
3 388.983, and 388.984 of the Michigan Compiled Laws, are amended
4 to read as follows:

TITLE

1

2 An act to authorize and provide for the issuance and sale of
3 bonds and notes of the state; to provide funds for making loans
4 to school districts for payment of principal and interest on cer-
5 tain school bonds; ~~and~~ to provide for use of moneys repaid to
6 the state by school districts; AND TO MAKE AN APPROPRIATION.

7 Sec. 2. The proceeds of sale of the bonds or notes shall
8 be deposited in A SEPARATE FUND IN the state treasury ~~and shall~~
9 ~~constitute a fund~~ to be known as "the school bond loan fund",
10 ~~hereby created in the state treasury as a special trust fund,~~
11 and shall be paid out in no other manner or for any other purpose
12 than provided in section 16 of article 9 of the ~~1963~~ STATE con-
13 stitution of ~~Michigan~~ 1963 and laws enacted pursuant ~~thereto~~
14 TO THAT SECTION.

15 Sec. 3. (1) For the prompt payment of the principal and
16 interest upon each bond or note issued under this act, the full
17 faith and credit of the state are pledged, and there is ~~hereby~~
18 appropriated each year during the life of these bonds or notes
19 from the general fund ~~—~~ a sufficient amount to pay the princi-
20 pal and interest on ~~said~~ THE bonds or notes maturing each
21 year.

22 (2) FOR THE 1990-91 STATE FISCAL YEAR ONLY, THERE IS APPRO-
23 PRIATED FROM THE GENERAL FUND A SUFFICIENT AMOUNT TO PAY IN FULL
24 THE PRINCIPAL AND INTEREST UPON EACH OF THE BONDS OR NOTES ISSUED
25 UNDER THIS ACT, INCLUDING THE DEFEASANCE OF THE PRINCIPAL AND
26 INTEREST AND ANY REDEMPTION PREMIUM ON EACH BOND OR NOTE THAT
27 MATURES AFTER SEPTEMBER 30, 1991. HOWEVER, THE STATE TREASURER

1 SHALL EXPEND MONEY FROM THIS APPROPRIATION FOR THE DEFEASANCE OF
2 THE PRINCIPAL AND INTEREST AND ANY REDEMPTION PREMIUM ON A BOND
3 OR NOTE THAT MATURES AFTER SEPTEMBER 30, 1991 ONLY TO THE EXTENT
4 THE STATE ADMINISTRATIVE BOARD PROVIDES BY RESOLUTION FOR THAT
5 DEFEASANCE TO BE MADE FROM THIS APPROPRIATION.

6 Sec. 4. Any ~~moneys~~ MONEY repaid by school districts on
7 loans made from the school bond loan fund shall ~~first be used to~~
8 ~~pay principal and interest on outstanding bonds or notes issued~~
9 ~~under the provisions of this act becoming due during the next~~
10 ~~ensuing 12 month period and any expenses incurred in connection~~
11 ~~therewith. Any moneys thereafter remaining may be deposited in~~
12 ~~the school bond loan fund and used for the purpose for which such~~
13 ~~fund is established.~~ BE DEPOSITED IN THE GENERAL FUND.

14 Section 2. This amendatory act shall not take effect unless
15 Senate Bill No. _____ or House Bill No. 4903 (request
16 no. 03315'91 *) of the 86th Legislature is enacted into law.