HOUSE BILL No. 5585

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March 3, 1992, Introduced by Reps. Profit, Jacobetti, O'Neill, Hood, Mathieu, Griffin, Knight, McBryde, Brown, Jondahl and Kosteva and referred to the Committee on Colleges and Universities.

A bill to authorize the issuance of general obligation bonds of the state to finance improvements at institutions of higher education and community colleges; to pledge the full faith and credit of the state for the payment of principal and interest on the bonds; to pay for issuing the bonds; to provide for other measures relating to the bonds; and to provide for the submission of the question of the issuance of the bonds to the electors of the state.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

Sec. 1. This act shall be known and may be cited as the "Michigan education savings bond authorization act".

Sec. 2. The state shall borrow a sum not to exceed $1,000,000,000.00 and issue the general obligation bonds of this state, pledging the full faith and credit of the state for the payment of principal and interest on the bonds, to finance improvements at institutions of higher education and community colleges.

Sec. 3. Bonds shall be issued in accordance with conditions, methods, and procedures to be established by law.

Sec. 4. The proceeds of the sale of the bonds or any series of the bonds, any premium and accrued interest received on the delivery of the bonds, and any interest earned on the proceeds of the bonds shall be deposited in the state treasury and credited to the Michigan education savings bond fund created in the Michigan education savings bond implementation act and shall be disbursed from that fund only for the purposes for which the bonds have been authorized, including the expense of issuing the bonds. The proceeds of sale of the bonds or any series of the bonds, any premium and accrued interest received on the delivery of the bonds, and any interest earned on the proceeds of the bonds shall be expended for the purposes set forth in this act in a manner as provided by law.

Sec. 5. The question of borrowing a sum not to exceed $1,000,000,000.00 and the issuance of the general obligation bonds of the state for the purposes set forth in this act shall be submitted to a vote of the electors of the state qualified to vote on the question in accordance with section 15 of article IX of the state constitution of 1963, at the next general election. The question submitted to the electors shall be substantially as follows:

"Shall the state of Michigan borrow a sum not to exceed $1,000,000,000.00 and issue general obligation bonds of the state, pledging the full faith and credit of the state for the payment of principal and interest on the bonds to finance improvements at institutions of higher education and community colleges, with the method of repayment of the bonds to be from the general fund of this state?

Yes........

No......... ."

Sec. 6. The secretary of state shall perform all acts necessary to properly submit the question prescribed by section 5 to the electors of this state qualified to vote on the question at the next general November election.

Sec. 7. (1) After the issuance of the bonds authorized by this act, there shall be appropriated from the general fund of the state each fiscal year a sufficient amount to pay promptly, when due, the principal of and interest on all outstanding bonds authorized by this act and the costs incidental to the payment of the bonds.

(2) The governor shall include the appropriation provided in subsection (1) in the governor's annual executive budget recommendations to the legislature.

Sec. 8. Bonds shall not be issued under this act unless the question set forth in section 5 is approved by a majority vote of the qualified electors voting on the question.

Sec. 9. This act shall take effect August 1, 1992.