

HOUSE BILL No. 6201

November 5, 1992, Introduced by Rep. Jonker and referred to the Committee on Education.

A bill to amend section 1351 of Act No. 451 of the Public Acts of 1976, entitled as amended

"The school code of 1976,"

as amended by Act No. 352 of the Public Acts of 1990, being section 380.1351 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 1351 of Act No. 451 of the Public Acts
2 of 1976, as amended by Act No. 352 of the Public Acts of 1990,
3 being section 380.1351 of the Michigan Compiled Laws, is amended
4 to read as follows:

5 Sec. 1351. (1) A school district may borrow money and issue
6 bonds of the district to defray all or a part of the cost of pur-
7 chasing, erecting, completing, remodeling, improving, furnishing,
8 refurnishing, equipping, or reequipping school buildings,
9 including library buildings, structures, athletic fields,

1 playgrounds, or other facilities, or parts of or additions to
2 those facilities; acquiring, preparing, developing, or improving
3 sites, or parts of or additions to sites, for school buildings,
4 including library buildings, structures, athletic fields, play-
5 grounds, or other facilities; purchasing school buses; partici-
6 pating in the administrative costs of an urban renewal program
7 through which the school district desires to acquire a site or
8 addition to a site for school purposes; refunding all or part of
9 existing bonded indebtedness; or accomplishing a combination of
10 the purposes set forth in this subsection. In addition, until
11 December 31, 1991 a school district may borrow money and issue
12 bonds to defray all or part of the cost of purchasing textbooks,
13 AND UNTIL DECEMBER 31, 1994 A SCHOOL DISTRICT MAY BORROW MONEY
14 AND ISSUE BONDS TO DEFRAY ALL OR A PART OF THE COST OF A RETIRE-
15 MENT INCENTIVE PROGRAM OFFERED BY THE SCHOOL DISTRICT TO TEACHERS
16 EMPLOYED BY THE SCHOOL DISTRICT.

17 (2) Except as otherwise provided in this subsection, a
18 school district shall not borrow money or issue bonds for a sum
19 that, together with the total outstanding bonded indebtedness of
20 the district, exceeds 5% of the state equalized valuation of the
21 taxable property within the district, unless the proposition of
22 borrowing the money or issuing the bonds is submitted to a vote
23 of the school electors of the district at an annual or special
24 election and approved by the majority of the school electors
25 voting on the question. Regardless of the amount of outstanding
26 bonded indebtedness of the school district, a vote of the school

1 electors is not necessary in order to issue bonds for a purpose
2 described in section 1274a.

3 (3) A school district shall not issue bonds under this part
4 for an amount greater than 15% of the total assessed valuation of
5 the district, except as provided in section 1356. The bonded
6 indebtedness of a district shall not extend beyond a period of 30
7 years. Refunding bonds or the refunding part of a bond issue
8 shall not be considered to be within the 15% limitation but shall
9 be considered to be authorized in addition to the 15%
10 limitation. A bond qualified under section 16 of article IX of
11 the state constitution of 1963 and implementing legislation shall
12 not be included for purposes of calculating the 15% limitation.
13 Bonds issued pursuant to this section are subject to the munici-
14 pal finance act, Act No. 202 of the Public Acts of 1943, being
15 sections 131.1 to 139.3 of the Michigan Compiled Laws, except
16 that bonds issued for a purpose described in section 1274a may be
17 sold at a public or publicly negotiated sale at the time or
18 times, at the price or prices, and at a discount as determined by
19 the board of the school district.

20 (4) Bonds or notes issued by a school district or intermedi-
21 ate school district pursuant to ~~sections~~ SECTION 144, 251, 335,
22 442, or 629 for the purposes authorized by this section and sec-
23 tion 1274a shall be full faith and credit tax limited obligations
24 of the district pledging the general funds, voted and allocated
25 tax levies, or any other money available for such a purpose and
26 shall not allow or provide for the levy of additional millage for

1 payment of the bond or note without a vote of the qualified
2 electorate of the district.

3 (5) If a bond proposal for bonds to be used in whole or part
4 to defray all or part of the cost of purchasing textbooks has
5 been approved by a majority of the school electors voting on the
6 question before ~~the effective date of the amendatory act that~~
7 ~~added this subsection~~ DECEMBER 26, 1990, and the bonds otherwise
8 meet the requirements of this section, the issuance of those
9 bonds for a period not to exceed 5 years is ratified and con-
10 firmed and the bonds are considered to be issued under this
11 section.