

# SENATE BILL No. 342

May 29, 1991, Introduced by Senators GAST and DE GROW  
and referred to the Committee on Finance.

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 cer-  
tain 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:

## 1 TITLE

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

Section 2. This amendatory act shall not take effect unless  
Senate Bill No. 343  
of the 86th Legislature is enacted into  
law.