## **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 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:

- 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:

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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

- 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. 343
- of the 86th Legislature is enacted into law.