



HOUSE BILL No. 5932

June 6, 1996, Introduced by Reps. LaForge, Cherry, Profit, Palamara, Agee, Brewer, Kelly, Schroer, Pitoniak, Hanley, Price and Perricone and referred to the Committee on Education.

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

"The revised school code,"

as amended by Act No. 278 of the Public Acts of 1994, being section 380.1351a of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 1351a of Act No. 451 of the Public Acts
2 of 1976, as amended by Act No. 278 of the Public Acts of 1994,
3 being section 380.1351a of the Michigan Compiled Laws, is amended
4 to read as follows:

5 Sec. 1351a. (1) Beginning with bonds issued after May 1,
6 1994, a school district may not borrow money and issue bonds of
7 the district under section 1351(1). However, a school district
8 may borrow money and issue bonds of the district to defray all or
9 a part of the cost of purchasing, erecting, completing,

1 remodeling, or equipping or reequipping, except for equipping or
2 reequipping for technology, school buildings, including library
3 buildings, structures, athletic fields, playgrounds, or other
4 facilities, or parts of or additions to those facilities; fur-
5 nishing or refurnishing new or remodeled school buildings;
6 acquiring, preparing, developing, or improving sites, or parts of
7 or additions to sites, for school buildings, including library
8 buildings, structures, athletic fields, playgrounds, or other
9 facilities; purchasing school buses; acquiring, installing, or
10 equipping or reequipping school buildings for technology; refund-
11 ing all or part of existing bonded indebtedness if the net
12 present value of the principal and interest to be paid on the
13 refunding bonds, excluding the cost of issuance, will be less
14 than the net present value of the principal and interest to be
15 paid on the bonds being refunded, as calculated using a method
16 approved by the department of treasury; or accomplishing a combi-
17 nation of the purposes set forth in this subsection.
18 Section 1351(2) to (4) applies to bonds issued under this
19 section.

20 (2) The proceeds of bonds issued under this section shall be
21 used for capital expenditures and to pay costs of bond issuance,
22 and shall not be used for maintenance costs. A school district
23 that issues bonds under this section shall have an independent
24 audit, using generally accepted accounting principles, of its
25 bonding activities conducted within 120 days after completion of
26 all projects financed by the proceeds of the bonds and shall
27 submit the audit report to the department of treasury.

1 (3) Bonds issued under this section for an asset with a
2 useful life of less than 30 years shall not be issued for a term
3 that is longer than the useful life of the asset.

4 ~~(4) A school district shall not borrow money and issue~~
5 ~~notes or bonds under this section to defray all or part of the~~
6 ~~costs of any of the following:~~

7 ~~(a) Upgrades to operating system or application software.~~

8 ~~(b) Media, including diskettes, compact discs, video tapes,~~
9 ~~and disks, unless used for the storage of initial operating~~
10 ~~system software or customized application software included in~~
11 ~~the definition of technology under this section.~~

12 ~~(c) Training, consulting, maintenance, service contracts,~~
13 ~~software upgrades, troubleshooting, or software support.~~

14 (4) ~~(5)~~ A resident of a school district has standing to
15 bring suit against the school district to enforce the provisions
16 of this section in a court having jurisdiction.

17 (5) ~~(6)~~ As used in this section, "technology" means any of
18 the following:

19 (a) Hardware and communication devices that transmit,
20 receive, or compute information for pupil instructional
21 purposes.

22 (b) ~~The initial purchase of operating~~ OPERATING system
23 software or customized application software, or both. ~~, accompa-~~
24 ~~nying the purchase of hardware and communication devices under~~
25 ~~subdivision (a).~~

26 (c) The costs of design and installation of the hardware,
27 communication devices, and ~~initial~~ operating system software or

1 customized application software authorized under this
2 subsection.