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INCREASE ISD BOND CAP

House Bill 5753

Sponsor: Rep. Timothy Walberg

Committee: Appropriations

Complete to 6-29-98

A SUMMARY OF HOUSE BILL 5753 AS INTRODUCED 4-22-98

House Bill 5753 would amend the Revised School Code to increase the bond cap for intermediate school districts. Under current law the cap is 1/9 of one percent of the state equalized valuation (SEV) of the taxable property within the district. The bill would increase the cap to 1/4 of one percent.

More generally, this provision of the Revised School Code, among other things, specifies that an intermediate school board cannot borrow money or issue bonds for a term longer than 30 years or for a sum which, together with the total outstanding bonded indebtedness of the intermediate school district, exceeds 1/9 of the SEV within the district, unless the question of borrowing the money or issuing bonds is submitted first to a vote of the school electors of the intermediate school district. By increasing the cap, the bill would allow the board to borrow more money or sell more debt without a vote of the people.

MCL 380.629

House Bill 5753 (6-29-98)

Analyst: J. Hunault

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