
Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536

SFA**BILL ANALYSIS**

Telephone: (517) 373-5383
Fax: (517) 373-1986
TDD: (517) 373-0543

Senate Bill 485 (as introduced 3-24-99)
Sponsor: Senator Leon Stille
Committee: Local, Urban and State Affairs

Date Completed: 4-29-99

CONTENT

The bill would amend Chapter 7 (Tax Levies, Debt Retirement, and Sinking Fund) of the Municipal Finance Act to permit a municipality to pool or combine debt retirement monies with each other or with other monies of the municipality for deposit or investment purposes.

The Act currently requires that debt retirement funds, except in the case of a common debt retirement fund maintained by a school district pursuant to the Revised School Code, be kept separate from each other and from other monies of the municipality and, except as otherwise provided in the Act, be used only to retire a municipality's funded indebtedness for which the debt retirement fund was created.

MCL 137.1b

Legislative Analyst: L. Arasim

FISCAL IMPACT

The bill would have no fiscal impact on State government. Municipalities would reduce bank- related expenses and receive higher returns on investments.

Fiscal Analyst: R. Ross

S9900\sb485sa

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.