



**House
Legislative
Analysis
Section**

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**WATER POLLUTION CONTROL:
AUTHORIZE STATE BONDS**

House Bill 4625

Sponsor: Rep. Bruce Patterson

Committee: Commerce

Complete to 2-4-02

A SUMMARY OF HOUSE BILL 4625 AS INTRODUCED 4-19-01

The bill would create the Great Lakes Water Quality Bond Authorization Act, under which the state would borrow up to \$1 billion, through the issuance of bonds, to finance water pollution control projects for the prevention of discharges of untreated or improperly treated sewage into state waters. The bonds to be issued would be general obligation bonds, pledging the full faith and credit of the state for the payment of principal and interest. The borrowing and the issuance of bonds would be submitted to state voters at the next general election, and bonds could not be issued unless the question was approved by a majority of registered electors voting on the question.

The proceeds from the sale of bonds, any premium and accrued interest received on the delivery of the bonds, and any interest earned on the proceeds of the bonds would be deposited in the state treasury and credited to a restricted fund and would be disbursed only for the purposes for which the bonds were authorized, including the expense of issuing the bonds. Money would be expended for the purposes set forth in this bill in a manner provided by law.

After the issuance of bonds authorized by the bill, the state would have to appropriate from the general fund each fiscal year a sufficient amount to pay promptly, when due, the principal of and the interest on all outstanding bonds and the costs incidental to the payment of the bonds. The governor would be required to include the appropriation in his or her annual executive budget recommendations to the legislature.

The question on the borrowing and the issuance of bonds submitted to voters, in accordance with Section 15 of Article IX of the State Constitution, would be substantially as follows:

Shall the State of Michigan finance water pollution control projects that prevent discharges of untreated or improperly treated sewage into the waters of the state, by borrowing a sum not to exceed \$1 billion and issuing general obligation bonds of the state, pledging the full faith and credit of the state for the payment of principal and interest on the bonds, the method of repayment of the bonds to be from the general fund of the state?

Analyst: C. Couch

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.