
Senate Fiscal Agency
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SFA**BILL ANALYSIS**

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Senate Bill 1313 (as reported without amendment)
Sponsor: Senator Joanne G. Emmons
Committee: Finance

CONTENT

The bill would amend Public Act 108 of 1961, which allows and regulates State loans to school districts for the payment of school districts' bonds, to specify that interest on qualified bonds would include a district's "net interest obligation" under an interest rate agreement entered into under the Revised Municipal Finance Act. (Qualified bonds are general obligation bonds of school districts issued for capital expenditures, including refunding bonds.)

(Senate Bill 1314 would amend the Revised Municipal Finance Act to regulate municipalities' interest rate agreements in connection with the issuance or proposed issuance of debt, or in connection with outstanding debt. The bill would define "net interest obligation" as the amount of interest payable by a municipality in a given year under an interest rate agreement minus any interest payment received by a municipality from the other party to the agreement in the same period under the agreement, but not less than zero.)

Proposed MCL 388.963a

Legislative Analyst: George Towne

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Date Completed: 5-15-02

Fiscal Analyst: David Zin