
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

House Bill 5415 (Substitute H-1 as passed by the House)
Sponsor: Representative Chris Kolb
House Committee: Commerce

CONTENT

The bill would amend Section 1356 of the Revised School Code, which concerns the operating deficit of a school district, to add references to the Revised Municipal Finance Act. In addition, the bill would delete provisions that do the following: prescribe a maximum interest rate on bonds and a payment schedule; require a school district to obtain the prior approval of the Department of Treasury to issue bonds; and require bonds to be sold at public sale, or private sale if authorized by the Department. (All of these matters are regulated under the Revised Municipal Finance Act.)

(Public Act 34 of 2001 created the "Revised Municipal Finance Act" to regulate borrowing by municipalities, and their issuance of securities; repeal the Municipal Finance Act; and prescribe the powers and duties of the Department of Treasury to protect the credit of the State and its municipalities. The Act took effect March 1, 2002. The Municipal Finance Act was repealed on that date, except for two sections that will be repealed on April 30, 2002. The Revised Municipal Finance Act applies to school districts, as well as other local units of government.)

MCL 380.1356

Legislative Analyst: George Towne

FISCAL IMPACT

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

Date Completed: 3-5-02

Fiscal Analyst: Jay Wortley