

SUBSTITUTE FOR  
HOUSE BILL NO. 5404

A bill to amend 1976 PA 451, entitled  
"The revised school code,"  
by amending section 442 (MCL 380.442), as amended by 1985 PA 22.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 442. (1) The first class school district board may DO  
2 ALL OF THE FOLLOWING:

3       (a) Borrow, subject to the ~~municipal finance act, Act~~  
4 ~~No. 202 of the Public Acts of 1943, as amended, being sections~~  
5 ~~131.1 to 139.3 of the Michigan Compiled Laws~~ REVISED MUNICIPAL  
6 FINANCE ACT, 2001 PA 34, MCL 141.2101 TO 141.2821, for temporary  
7 school purposes sums of money and give notes of the district for  
8 temporary school purposes.

9       (b) Borrow, subject to ~~Act No. 202 of the Public Acts of~~  
10 ~~1943, as amended~~ THE REVISED MUNICIPAL FINANCE ACT, 2001 PA 34,  
11 MCL 141.2101 TO 141.2821, sums of money for the purpose of

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1 purchasing sites for buildings, playgrounds, or athletic fields  
2 and purchasing or erecting and equipping a building or making a  
3 permanent improvement ~~which~~ THAT it is authorized to make. The  
4 board may accomplish this by the issuance and sale of bonds of  
5 the school district on terms the board ~~deems~~ CONSIDERS advis-  
6 able, or by other reasonable means. The board shall designate  
7 officers to execute the bonds on behalf of the school district.  
8 The designated officers may include the chief fiscal officer.

9       (2) A loan shall not be made, ~~and bonds shall not be issued~~  
10 ~~for a term longer than 30 years nor,~~ except as otherwise pro-  
11 vided in this subsection, for a sum ~~which~~ THAT, together with  
12 the total outstanding bonded indebtedness of the school district,  
13 exceeds 5% of the state equalized valuation of the taxable prop-  
14 erty within the district, unless the proposition of making the  
15 loans or of issuing bonds is submitted to a vote of the school  
16 electors of the district at a general or special school election  
17 and approved by the majority of the school electors voting on the  
18 question. Regardless of the amount of outstanding bonded indebt-  
19 edness of the school district, a vote of the school electors is  
20 not necessary in order to issue bonds for a purpose described in  
21 section 1274a. Loans may be made or bonds may be issued for the  
22 purposes stated in this section in an amount equal to that pro-  
23 vided by part 17.

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Final page.

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