

SUBSTITUTE FOR
HOUSE BILL NO. 5420

A bill to amend 1966 PA 331, entitled
"Community college act of 1966,"
by amending section 122 (MCL 389.122), as amended by 1984
PA 148.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 122. The board of trustees may DO ALL OF THE
2 FOLLOWING:
3 (a) Borrow, subject to the provisions of the ~~municipal~~
4 ~~finance act, Act No. 202 of the Public Acts of 1943, as amended,~~
5 ~~being sections 131.1 to 139.3 of the Michigan Compiled Laws~~
6 REVISED MUNICIPAL FINANCE ACT, 2001 PA 34, MCL 141.2101 TO
7 141.2821, for community college purposes, including capital
8 expenditures, ~~such sums of money and on such~~ THE terms ~~as~~
9 it ~~deems~~ CONSIDERS desirable and give notes of the district
10 ~~therefor~~ FOR THOSE PURPOSES. ~~When the borrowing by~~ IF a

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1 newly organized community college district ~~is~~ BORROWS in
2 anticipation of the collection of the first tax levy of ~~such~~
3 THE district, the loan shall not exceed 50% of the estimated
4 amount of the first tax levy.

5 (b) Borrow, subject to the ~~provisions of the municipal~~
6 ~~finance act, Act No. 202 of the Public Acts of 1943, as amended~~
7 REVISED MUNICIPAL FINANCE ACT, 2001 PA 34, MCL 141.2101 TO
8 141.2821, ~~such sums of~~ money as it ~~deems~~ CONSIDERS necessary
9 and issue bonds of the community college district, ~~therefor,~~ to
10 purchase sites for buildings, playgrounds, athletic fields, or
11 agricultural farms; to purchase or erect and equip any building
12 or buildings ~~, which~~ THAT it is authorized to purchase and
13 erect; OR to make any permanent improvement ~~which~~ THAT it is
14 authorized to make. ~~or in part to refund existing bonded~~
15 ~~indebtedness, and in part for any of the aforesaid purposes.~~ A
16 loan shall not be made and bonds shall not be issued for any sum
17 ~~which~~ THAT, together with the total outstanding bonded indebt-
18 edness of the district, including bonds voted but not issued,
19 exceeds the total of 1-<1/2>% of the first \$250,000,000.00 plus 1% of
20 the excess over \$250,000,000.00 of the last confirmed state
21 equalized valuation of all taxable property in the district
22 unless the proposition of making the loan or of issuing bonds has
23 been submitted first to a vote of the qualified electors of the
24 district, at a general or special election, and approved by the
25 majority of the electors voting ~~thereon~~ AT THE ELECTION, in
26 which event loans may be made or bonds may be issued in an amount
27 not to exceed 15% of the total state equalized valuation of the

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1 district. ~~The refunding part of any bond issue shall not be~~
2 ~~included within the limitations but shall be deemed to be autho-~~
3 ~~rized in addition thereto. The bonded indebtedness of the dis-~~
4 ~~trict shall not extend beyond a period of 30 years for money~~
5 ~~borrowed. Bonds or obligations issued under this act shall not~~
6 ~~be purchased by the state.~~

7 (c) Provide for energy conservation improvements to be made
8 to community college facilities and may pay for the improvements
9 from operating funds of the district or from the savings ~~which~~
10 THAT result from the energy conservation improvements. Energy
11 conservation improvements may include, but are not limited to,
12 heating system improvements, fenestration improvements, roof
13 improvements, the installation of any insulation, the installa-
14 tion or repair of heating or air conditioning controls, and
15 entrance or exit way closures. The board of trustees may acquire
16 1 or more energy conservation improvements by installment con-
17 tract or may borrow money and issue notes for the purpose of
18 securing funds for the improvements or may enter into contracts
19 in which the cost of the energy conservation improvements is paid
20 from a portion of the savings ~~which~~ THAT result from the energy
21 conservation improvements. These contractual agreements may pro-
22 vide that the cost of the energy conservation improvements are
23 paid only if the energy savings are sufficient to cover their
24 cost. An installment contract or notes issued pursuant to this
25 subdivision shall extend for a period of time not to exceed 10
26 years. Notes issued pursuant to this subdivision shall be full
27 faith and credit, tax limited obligations of the community

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1 college district, payable from tax levies and the general fund as
2 pledged by the board of trustees. The notes ~~shall be~~ ARE
3 subject to the ~~municipal finance act, Act No. 202 of the Public~~
4 ~~Acts of 1943~~ REVISED MUNICIPAL FINANCE ACT, 2001 PA 34,
5 MCL 141.2101 TO 141.2821. ~~The notes shall bear interest at a~~
6 ~~rate determined by the board of trustees, not to exceed the rate~~
7 ~~provided in section 1a of chapter III of the municipal finance~~
8 ~~act, Act No. 202 of the Public Acts of 1943, being section 133.1a~~
9 ~~of the Michigan Compiled Laws.~~ This subdivision does not limit
10 in any manner the borrowing or bonding authority of a community
11 college as provided by law.