

# HOUSE BILL No. 4876

June 5, 2001, Introduced by Reps. Jelinek, Sheltroun, Stewart, Basham, Birkholz, Pumford, Hansen, Plakas, Patterson, Cameron Brown, Schauer, Pappageorge, Minore, Middaugh, Bogardus, Richner, Richardville, Bovin, Hart, Godchaux, Switalski, Gielegem and Lemmons and referred to the Committee on Appropriations.

A bill to amend 1961 PA 108, entitled  
"School bond qualification and loan act,"  
by amending the title and sections 1, 2, 3, 4, 4a, 5, 6, 7, 8, 9,  
9b, 10, 10a, 11, and 12 (MCL 388.951, 388.952, 388.953, 388.954,  
388.954a, 388.955, 388.956, 388.957, 388.958, 388.959, 388.959b,  
388.960, 388.960a, 388.961, and 388.962), the title and sections  
6 and 9 as amended and section 9b as added by 1991 PA 65, sec-  
tions 2, 4, and 11 as amended by 1992 PA 228, section 3 as  
amended by 1985 PA 25, section 4a as amended by 1991 PA 22, sec-  
tion 5 as amended by 1983 PA 124, and section 10 as amended and  
section 10a as added by 1989 PA 6, and by adding sections 1a, 9c,  
and 11a; and to repeal acts and parts of acts.

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

## TITLE

1  
2 An act to PRESCRIBE THE PROCEDURES, TERMS, AND CONDITIONS  
3 FOR THE QUALIFICATION OF SCHOOL BONDS; TO provide for loans by  
4 the state of Michigan to school districts for the payment of  
5 principal and interest upon school bonds; to prescribe the terms  
6 and conditions of the loans and the conditions upon which levies  
7 for bond principal and interest shall be included in computing  
8 the amount to be so loaned by the state; to prescribe ~~the~~  
9 CERTAIN powers and duties of the ~~superintendent of public~~  
10 ~~instruction and the~~ state treasurer in relation to such loans;  
11 to provide for the repayment of such loans; to provide  
12 ~~incentives for repayment of such loans~~ FOR CERTAIN FEES; to  
13 provide for other matters in respect to such loans; and to make  
14 an appropriation.

15 Sec. 1. (1) THIS ACT SHALL BE KNOWN AND MAY BE CITED AS THE  
16 "SCHOOL BOND QUALIFICATION AND LOAN ACT".

17 (2) The purpose of this act is to implement section 16 of  
18 article ~~9~~ IX of the ~~1963 Michigan~~ STATE constitution ~~, here-~~  
19 ~~inafter referred to as section 16~~ OF 1963.

20 (3) AS USED IN THIS ACT:

21 (A) "ADJUSTED TAXABLE VALUE" MEANS THE VALUATION ON WHICH  
22 DEBT MILLAGE FOR QUALIFIED BONDS CAN BE LEVIED. NOT LATER THAN  
23 JUNE 30 OF EACH YEAR, THE STATE TREASURER SHALL ISSUE A TREASURY  
24 BULLETIN CONTAINING THE CURRENT ADJUSTMENTS TO EQUALIZED TAXABLE  
25 VALUE TO CALCULATE ADJUSTED TAXABLE VALUE.

26 (B) "ADJUSTED TAXABLE VALUE PER MEMBERSHIP PUPIL" MEANS A  
27 SCHOOL DISTRICT'S ADJUSTED TAXABLE VALUE FOR THE CALENDAR YEAR

1 ENDING IN THE IMMEDIATELY PRECEDING STATE FISCAL YEAR DIVIDED BY  
2 THE SCHOOL DISTRICT'S MEMBERSHIP, AS CALCULATED UNDER THE STATE  
3 SCHOOL AID ACT, 1979 PA 94, MCL 388.1601 TO 388.1772, FOR THE  
4 SCHOOL YEAR ENDING IN THE IMMEDIATELY PRECEDING STATE FISCAL  
5 YEAR.

6 (C) "BOND PURPOSE" MEANS THE PURPOSE FOR THE USE OF BOND  
7 PROCEEDS AS STATED IN THE OFFICIAL BALLOT SUBMITTED TO THE SCHOOL  
8 ELECTORS OF THE SCHOOL DISTRICT.

9 (D) "CAPITAL EXPENDITURES" MEANS EXPENDITURES FOR WHICH  
10 BONDS MAY BE ISSUED BY A SCHOOL DISTRICT UNDER SECTION 1351A OF  
11 THE REVISED SCHOOL CODE, 1976 PA 451, MCL 380.1351A.

12 (E) "COMPLETION OF A PROJECT" MEANS ALL CAPITAL EXPENDITURE  
13 ACTIVITIES AS IDENTIFIED WITHIN A SCHOOL DISTRICT'S APPLICATION  
14 FOR QUALIFICATION OF BONDS HAVE BEEN COMPLETED TO A DEGREE THAT  
15 THE FACILITY HAS BEEN CERTIFIED, IN CONFORMANCE WITH EXISTING  
16 INDUSTRY AND LEGAL STANDARDS, AS BEING READY TO BE OCCUPIED OR  
17 USED FOR THE PURPOSE FOR WHICH IT IS INTENDED.

18 (F) "GENERAL PRICE LEVEL" MEANS THAT TERM AS DEFINED IN  
19 SECTION 33 OF ARTICLE IX OF THE STATE CONSTITUTION OF 1963.

20 (G) "PROJECT" MEANS AN INDIVIDUAL SCHOOL FACILITY OR LOCA-  
21 TION IDENTIFIED FOR CAPITAL EXPENDITURES AS DESCRIBED WITHIN A  
22 SCHOOL DISTRICT'S APPLICATION FOR QUALIFICATION OF BONDS.

23 (H) "QUALIFIED BONDS" MEANS GENERAL OBLIGATION BONDS OF A  
24 SCHOOL DISTRICT ISSUED ON OR AFTER JANUARY 1, 1964 FOR CAPITAL  
25 EXPENDITURES, INCLUDING REFUNDING BONDS, THAT ARE QUALIFIED UNDER  
26 THIS ACT FOR STATE LOANS TO SCHOOL DISTRICTS, AS DEFINED IN  
27 SECTION 16 OF ARTICLE IX OF THE STATE CONSTITUTION OF 1963.

1 (I) "QUALIFIED DEBT SERVICE" MEANS DEBT SERVICE ON QUALIFIED  
2 BONDS.

3 (J) "QUALIFIED MILLAGE" MEANS MILLAGE LEVIED TO PAY DEBT  
4 SERVICE ON QUALIFIED BONDS.

5 (K) "SCHOOL BOND LOAN FUND" MEANS THAT FUND AS CREATED UNDER  
6 1961 PA 112, MCL 388.981 TO 388.985.

7 (L) "STATE TREASURER" MEANS THE STATE TREASURER OR HIS OR  
8 HER DESIGNEE. THIS DESIGNATION SHALL BE MADE BY THE STATE TREA-  
9 SURER AND SHALL BE IN A WRITTEN INSTRUMENT SIGNED BY THE STATE  
10 TREASURER AND MAINTAINED IN A PERMANENT FILE. FOR THE PURPOSES  
11 OF ALL OTHER PROVISIONS OF THIS ACT, THE SIGNATURE OF THE STATE  
12 TREASURER'S DESIGNEE SHALL HAVE THE SAME FORCE AND EFFECT AS THE  
13 SIGNATURE OF THE STATE TREASURER.

14 (M) "TAXABLE VALUE PER MEMBERSHIP PUPIL" MEANS A SCHOOL  
15 DISTRICT'S TAXABLE VALUE FOR THE CALENDAR YEAR ENDING IN THE  
16 IMMEDIATELY PRECEDING STATE FISCAL YEAR DIVIDED BY THE SCHOOL  
17 DISTRICT'S MEMBERSHIP, AS CALCULATED UNDER THE STATE SCHOOL AID  
18 ACT OF 1979, 1979 PA 94, MCL 388.1601 TO 388.1772, FOR THE SCHOOL  
19 YEAR ENDING IN THE IMMEDIATELY PRECEDING STATE FISCAL YEAR.

20 (N) "TOTAL INTEREST" MEANS THE TOTAL INTEREST INCURRED ON  
21 BONDS PLUS THE TOTAL INTEREST COST OF ANY SCHOOL BOND LOAN FUND  
22 BORROWINGS.

23 SEC. 1A. THE LEGISLATURE FINDS AND DECLARES ALL OF THE  
24 FOLLOWING:

25 (A) THE UTILIZATION OF THE SCHOOL BOND LOAN FUND BY SCHOOL  
26 DISTRICTS HAS A MATERIAL IMPACT ON THE CREDIT AND FISCAL  
27 INTEGRITY OF THIS STATE.

1 (B) THE FIDUCIARY RESPONSIBILITY OF THE STATE TREASURER  
2 INCLUDES THE PROTECTION OF THE CREDIT OF THIS STATE, THE FISCAL  
3 INTEGRITY OF THIS STATE, AND THE FISCAL INTEGRITY OF SCHOOL  
4 DISTRICTS.

5 (C) THE ABILITY OF THE STATE TO FULFILL THE REQUIREMENTS OF  
6 SECTION 16 OF ARTICLE IX OF THE STATE CONSTITUTION OF 1963 MUST  
7 NOT BE COMPROMISED.

8 Sec. 2. (1) If the minimum amount ~~which~~ it would other-  
9 wise be necessary for a school district to levy in any year to  
10 pay principal and interest on its qualified bonds, including any  
11 necessary allowances for estimated tax delinquencies, exceeds  
12 ~~13~~ 7 mills ~~or the computed millage under subsection (2),~~  
13 ~~whichever is less,~~ on each dollar of its ~~assessed valuation as~~  
14 ~~last equalized by the state~~ ADJUSTED TAXABLE VALUE, then the  
15 school district may elect to borrow ~~all or any part~~ NOT MORE  
16 THAN 90% of the excess from ~~the~~ THIS state. ~~In that event~~  
17 HOWEVER, IF THAT MINIMUM AMOUNT IT WOULD OTHERWISE BE NECESSARY  
18 FOR A SCHOOL DISTRICT TO LEVY EXCEEDS 13 MILLS ON EACH DOLLAR OF  
19 ITS ADJUSTED TAXABLE VALUE, THEN THE SCHOOL DISTRICT MAY ELECT TO  
20 BORROW ALL OR ANY PART OF THE EXCESS FROM THIS STATE. FURTHER,  
21 IF THE STATE TREASURER DETERMINES THAT A SCHOOL DISTRICT IS  
22 REQUIRED TO LEVY MORE THAN 7 MILLS ON EACH DOLLAR OF ITS ADJUSTED  
23 TAXABLE VALUE IN ORDER FOR THE SCHOOL DISTRICT TO BE ABLE TO PAY  
24 THE PRINCIPAL AND INTEREST ON ALL OF ITS QUALIFIED BONDS AND ON  
25 LOANS MADE TO THE SCHOOL DISTRICT UNDER THIS ACT BY NOT LATER  
26 THAN 60 MONTHS AFTER THE FINAL MATURITY DATE OF ALL OF THE SCHOOL  
27 DISTRICT'S THEN OUTSTANDING QUALIFIED BONDS, TAKING INTO ACCOUNT

1 LOANS MADE TO THE SCHOOL DISTRICT UNDER THIS ACT FOR DEBT SERVICE  
2 AND ANY LAWFUL SUBSIDIES THE STATE TREASURER REASONABLY EXPECTS  
3 THE SCHOOL DISTRICT TO RECEIVE, THEN THE SCHOOL DISTRICT MUST  
4 LEVY THAT ADDITIONAL MILLAGE, UP TO 13 MILLS, AS A CONDITION TO  
5 RECEIVING A LOAN UNDER THIS ACT. UPON A SHOWING OF COMPELLING  
6 JUSTIFICATION BY THE SCHOOL DISTRICT, THE STATE TREASURER MAY  
7 EXTEND THE 60-MONTH PERIOD SPECIFIED IN THE PRECEDING SENTENCE TO  
8 A LONGER PERIOD NOT TO EXCEED 120 MONTHS OR MAY IN THE FINAL  
9 QUALIFICATION OF A BOND ISSUE WAIVE THE MINIMUM MILLAGE REQUIRED  
10 BY THIS SUBSECTION TO NO LESS THAN 6 MILLS, OR MAY DO BOTH. IF A  
11 SCHOOL DISTRICT MEETS ALL OF THE APPLICABLE REQUIREMENTS AND CON-  
12 DITIONS UNDER THIS SUBSECTION, the state shall loan the excess  
13 amount to the school district for the payment of principal and  
14 interest. ~~For bond issues sold before October 1, 1991 or bond~~  
15 ~~issues sold exclusively to refund qualified bond issues sold~~  
16 ~~before October 1, 1991, schools shall be allowed to borrow at~~  
17 ~~least the percentage over 7 mills allowed them in the 1990-91~~  
18 ~~fiscal year. The school district shall levy not less than 12~~  
19 ~~mills or its equivalent for operating purposes.~~

20 (2) ~~The computed millage referred to in subsection (1) is~~  
21 ~~the number of mills as computed by the state treasurer that the~~  
22 ~~school district would have to levy in the year the computation is~~  
23 ~~made and each succeeding year to be able to pay the principal and~~  
24 ~~interest on all of its qualified bonds and loans made to the~~  
25 ~~school district under this act, taking into account loans made to~~  
26 ~~the school district under this act for debt service, by not later~~  
27 ~~than 60 months after the final maturity date of all of its~~

1 ~~qualified bonds outstanding as of the date of the computation,~~  
2 ~~but shall be not less than 7 mills.~~ The state treasurer shall  
3 make the ~~computation~~ DETERMINATION UNDER SUBSECTION (1) based  
4 on the following assumptions:

5 (a) An assumed interest rate on loans made under this act  
6 equal to the PROJECTED average interest rate on school bond loan  
7 fund notes and bonds over the ~~immediately preceding~~ NEXT  
8 SUCCEEDING 5-year period.

9 (b) A projected total ~~state equalized valuation~~ ADJUSTED  
10 TAXABLE VALUE for the school district that assumes ~~a state~~  
11 ~~equalized valuation~~ AN ADJUSTED TAXABLE VALUE growth rate or  
12 decline rate equal to the school district's average yearly ~~state~~  
13 ~~equalized valuation~~ ADJUSTED TAXABLE VALUE growth rate or  
14 decline rate over the immediately preceding 5-year period FOR THE  
15 NEXT SUCCEEDING 5-YEAR PERIOD AND THEREAFTER AT A GROWTH RATE  
16 EQUAL TO THE LESSER OF THAT RATE OR A RATE EQUAL TO THE MOST  
17 RECENT AVAILABLE 5-YEAR AVERAGE ANNUAL GENERAL PRICE LEVEL, PLUS  
18 1%, BUT NOT MORE THAN 5% PER ANNUM.

19 (3) Upon request made by a school district before June 1 of  
20 any year, the ~~superintendent of public instruction and the~~  
21 state treasurer annually may ~~jointly~~ issue an order waiving all  
22 or a portion of the millage required to be levied by a school  
23 district to pay principal and interest on its qualified bonds  
24 pursuant to subsection (1) if ~~they find~~ THE STATE TREASURER  
25 FINDS all of the following:

26 (a) The school board of the school district has applied to  
27 the department of ~~education~~ TREASURY for permission to levy

1 less than the millage required to be levied to pay the principal  
2 and interest on its qualified bonds pursuant to subsection (1).

3 (b) The application specifies the number of mills the school  
4 district requests permission to levy.

5 (c) The waiver will be financially beneficial to the state  
6 or to the school district, or both.

7 (d) The waiver will not reduce the millage levied by the  
8 school district to pay principal and interest on qualified bonds  
9 under subsection (1) to less than 7 mills.

10 (e) The school board, by resolution, has agreed to comply  
11 with all conditions that the ~~superintendent of public instruc-~~  
12 ~~tion and the~~ state treasurer ~~consider are~~ CONSIDERS  
13 necessary.

14 (4) FOR BOND ISSUES APPROVED AT A REGULAR OR SPECIAL ELEC-  
15 TION BEFORE JULY 1, 2001, THE AMOUNT A SCHOOL DISTRICT MAY BORROW  
16 UNDER THIS ACT SHALL BE DETERMINED IN ACCORDANCE WITH THE PROVI-  
17 SIONS OF THIS ACT IN EFFECT BEFORE THE EFFECTIVE DATE OF THE  
18 AMENDATORY ACT THAT ADDED THIS SUBSECTION. FOR BOND ISSUES  
19 APPROVED AT A REGULAR OR SPECIAL ELECTION ON OR AFTER JULY 1,  
20 2001 BUT BEFORE OCTOBER 10, 2001, THE AMOUNT A SCHOOL DISTRICT  
21 MAY BORROW UNDER THIS ACT SHALL BE DETERMINED IN ACCORDANCE WITH  
22 THE PROVISIONS OF THIS ACT AS IN EFFECT BEFORE THE EFFECTIVE DATE  
23 OF THE AMENDATORY ACT THAT ADDED THIS SUBSECTION IF THE SCHOOL  
24 DISTRICT FILES WITH THE STATE TREASURER BEFORE THE DATE OF THE  
25 ELECTION APPROVING THE BOND ISSUE AN IRREVOCABLE WRITTEN REQUEST  
26 TO HAVE THOSE PROVISIONS APPLY. FOR SCHOOL DISTRICTS WITH A  
27 QUALIFIED BOND ISSUE APPROVED AT A REGULAR OR SPECIAL ELECTION ON



1 OR AFTER JULY 1, 2001 FOR WHICH THE SCHOOL DISTRICT DOES NOT FILE  
2 A WRITTEN REQUEST UNDER THE PRECEDING SENTENCE OR WITH A QUALI-  
3 FIED BOND ISSUE APPROVED AT A REGULAR OR SPECIAL ELECTION ON OR  
4 AFTER OCTOBER 10, 2001, THE AMOUNT THE SCHOOL DISTRICT MAY BORROW  
5 UNDER THIS ACT WITH RESPECT TO ALL OF THE SCHOOL DISTRICT'S QUAL-  
6 IFIED BONDS SHALL BE DETERMINED UNDER THE PROVISIONS OF THIS ACT  
7 OTHER THAN THE PRECEDING 2 SENTENCES OF THIS SUBSECTION.

8       Sec. 3. ~~-(1) As used in this act, "qualified bonds" means~~  
9 ~~general obligation bonds of school districts issued for capital~~  
10 ~~expenditures, including refunding bonds, issued as follows:~~

11       ~~(a) Before May 4, 1955.~~

12       ~~(b) On or after May 4, 1955 but before January 1, 1964, only~~  
13 ~~if, and to the extent that, the bonds have been qualified pursu-~~  
14 ~~ant to section 27 or 28 of article X of the state constitution of~~  
15 ~~1908 and implementing acts.~~

16       ~~(c) On or after January 1, 1964, if the bonds are qualified~~  
17 ~~pursuant to section 16 of article IX of the state constitution of~~  
18 ~~1963 and this act.~~

19       ~~(2) All actions heretofore~~ taken by the superintendent of  
20 public instruction AND THE STATE TREASURER BEFORE THE AMENDATORY  
21 ACT THAT ADDED SECTION 1A in qualifying bonds pursuant to  
22 ~~sections 27 and 28 of article X of the state constitution of~~  
23 ~~1908 and implementing acts,~~ SECTION 16 OF ARTICLE IX OF THE  
24 STATE CONSTITUTION OF 1963 are validated and all certificates of  
25 qualification ~~heretofore or hereafter~~ issued by the superinten-  
26 dent OF PUBLIC INSTRUCTION OR THE STATE TREASURER are conclusive  
27 as to the existence of facts entitling the bonds to be qualified

1 as provided in the certificates and as to the qualification and  
 2 shall not be subject to attack in any proceeding. ~~Any certifi-~~  
 3 ~~cate of qualification issued before January 1, 1964, qualifying~~  
 4 ~~bonds pursuant to section 28 of article X of the state constitu-~~  
 5 ~~tion of 1908, and the act implementing that section, shall con-~~  
 6 ~~stitute qualification pursuant to section 16 of article IX of the~~  
 7 ~~state constitution of 1963 and this act, for any bonds sold or~~  
 8 ~~delivered to the purchaser of the bonds on or after January 1,~~  
 9 ~~1964. Any bonds issued between May 4, 1955 and before January 1,~~  
 10 ~~1964, that were partially qualified shall be considered to be~~  
 11 ~~100% qualified bonds if they would be 100% qualifiable under this~~  
 12 ~~act.~~

13 ~~(3) Bonds issued for a purpose described in section 1274a of~~  
 14 ~~the school code of 1976, Act No. 451 of the Public Acts of 1976,~~  
 15 ~~being section 380.1274a of the Michigan Compiled Laws, shall be~~  
 16 ~~considered general obligation bonds of school districts issued~~  
 17 ~~for capital expenditures.~~

18 Sec. 4. (1) The ~~superintendent of public instruction~~  
 19 ~~shall~~ STATE TREASURER SHALL NOT issue his or her certificate  
 20 qualifying an issue of bonds, upon application for a certificate  
 21 being made by the school district, ~~if the superintendent~~ UNLESS  
 22 THE STATE TREASURER finds ALL OF the following:

23 (a) That the last maturity date of the issue of bonds is not  
 24 less than ~~10~~ 15 years from the issuance date appearing on the  
 25 bonds ~~subject to the following qualifications and exceptions:~~  
 26 ~~(i) Except for bonds issued for a purpose described in section~~  
 27 ~~1274a of the school code of 1976, Act No. 451 of the Public Acts~~

1 of 1976, being section 380.1274a of the Michigan Compiled Laws,  
2 or as otherwise provided in this subparagraph, if the ratio of  
3 debt to ~~valuation~~ ADJUSTED TAXABLE VALUE of the school district  
4 exceeds 4%; ~~—~~ THAT the last maturity date of the issue of bonds  
5 ~~shall be~~ IS not less than ~~15~~ 25 years from the issuance date  
6 appearing on the bonds ~~—~~ if the ratio of debt to ~~valuation~~  
7 ADJUSTED TAXABLE VALUE of the school district exceeds 7%; ~~—~~ OR  
8 THAT the last maturity date of the issue of bonds ~~shall be~~ IS  
9 not less than ~~25~~ 29 years from the issuance date appearing on  
10 the bonds ~~— or —~~ if the ratio of debt to ~~valuation~~ ADJUSTED  
11 TAXABLE VALUE of the school district exceeds 12%. ~~—, the last~~  
12 ~~maturity date of the issue of bonds shall be not less than 29~~  
13 ~~years from the issuance date appearing on the bonds.~~ Regardless  
14 of the ratio of debt to ~~valuation~~ ADJUSTED TAXABLE VALUE of a  
15 school district, the state treasurer may authorize the last matu-  
16 rity date of an issue of bonds of that school district to be ~~not~~  
17 ~~less than 10~~ A LESSER NUMBER OF years from the issuance date  
18 appearing on the bonds if the state treasurer determines it is  
19 financially beneficial to ~~the~~ THIS state or to the school  
20 district. As used in this section, "ratio of debt to ~~valuation~~  
21 ADJUSTED TAXABLE VALUE" means that ratio arrived at by dividing  
22 the total tax supported bonded indebtedness of the school dis-  
23 trict outstanding as of the date of the filing of the application  
24 required by this act, including the bonds proposed to be quali-  
25 fied, by the ~~assessed valuation~~ ADJUSTED TAXABLE VALUE of the  
26 school district. ~~as last equalized by the state.~~ The refunding  
27 part of any proposed issue of bonds shall not be included in the

1 total indebtedness of the school district for the purposes of  
2 this ~~section~~ SUBDIVISION.

3 ~~(ii) If the bonds are issued for a purpose described in~~  
4 ~~section 1274a of Act No. 451 of the Public Acts of 1976, the last~~  
5 ~~maturity of the issue of bonds may be less than 10 years from the~~  
6 ~~issuance date appearing on the bonds but not less than the number~~  
7 ~~of years approved by the superintendent of public instruction in~~  
8 ~~the certificate of qualification. The certificate of qualifica=~~  
9 ~~tion of the superintendent of public instruction shall contain a~~  
10 ~~certification and approval that the bonds are issued for such a~~  
11 ~~purpose, which approval shall be final and conclusive and shall~~  
12 ~~set forth the minimum number of years for the last maturity of~~  
13 ~~the bonds.~~

14 (b) That the yearly principal maturity date ~~is not less~~  
15 ~~than 5 months after the major part of the taxes for the bonds~~  
16 ~~becomes by law a lien upon the property assessed~~ AND ANY INTER-  
17 EST PAYMENT DATES ARE ESTABLISHED USING ONLY THE DATES OF MAY 1  
18 AND NOVEMBER 1 AS PAYMENT DATES. THIS REQUIREMENT MAY BE WAIVED  
19 BY THE STATE TREASURER IF THE DISTRICT CAN PROVIDE COMPELLING  
20 JUSTIFICATION FOR ALTERNATIVE DATES. FOR SUCH A WAIVER TO BE  
21 EFFECTIVE, IT MUST BE APPROVED BEFORE THE ISSUANCE OF THE BONDS.

22 ~~(c) Except as otherwise provided in this subdivision, that~~  
23 ~~the amount of principal maturing in any calendar year is not less~~  
24 ~~than the amount of principal maturing in any prior calendar year~~  
25 ~~and, except for bonds issued for a purpose described in section~~  
26 ~~1274a of Act No. 451 of the Public Acts of 1976, if the ratio of~~  
27 ~~debt to valuation of the school district exceeds 12%, that the~~

~~1 first 10 principal maturities do not in the aggregate exceed 25%~~  
~~2 of the total principal amount of the bonds proposed to be~~  
~~3 qualified. Regardless of the amount of principal maturing in any~~  
~~4 calendar year and regardless of the ratio of debt to valuation of~~  
~~5 the school district, the state treasurer may authorize principal~~  
~~6 maturities in any amount if the state treasurer determines it is~~  
~~7 financially beneficial to the state or to the school district.~~  
~~8 At the request of the school district, the state treasurer may~~  
~~9 grant that authorization as part of the procedure of preliminary~~  
~~10 qualification under subdivision (f).~~

11       (C) ~~-(d)-~~ That the ~~cost~~ COSTS of the project for which the  
12 bonds are to be issued, ~~is within reasonable standards of cost~~  
13 ~~as established by the state board of education, which standards~~  
14 ~~may vary as to different localities in accordance with any vari-~~  
15 ~~ance in construction costs between localities~~ INCLUDING, BUT NOT  
16 LIMITED TO, TOTAL INTEREST, BOND ISSUANCE COSTS, CONSTRUCTION  
17 COSTS, AND PROFESSIONAL FEES, ARE DOCUMENTED IN A FORMAT PRE-  
18 SCRIBED BY THE STATE TREASURER AND ARE CERTIFIED TO THE STATE  
19 TREASURER TO BE REASONABLE ACCORDING TO COST PARAMETERS ESTAB-  
20 LISHED BY THE STATE TREASURER UNDER SUBSECTION (3). IF THE COSTS  
21 EXCEED THESE PARAMETERS, THE STATE TREASURER MAY DENY THE APPLI-  
22 CATION, MAY REQUIRE AN EXPLANATION OF THE VARIANCE, OR MAY  
23 REQUIRE THE SCHOOL DISTRICT TO OBTAIN AN INDEPENDENT EVALUATION  
24 OF COSTS TO BE COMPLETED BY A CONSULTANT MEETING QUALIFICATIONS  
25 SPECIFIED BY THE STATE TREASURER.

26       (D) ~~-(e)-~~ Except for bonds issued for a purpose described in  
27 ~~section 1274a of Act No. 451 of the Public Acts of 1976, that~~

1 THAT there exists a need for the project based upon current and  
 2 probable future enrollment, and that the project is designed to  
 3 provide school facilities reasonably adequate to meet that need.

4 (E) ~~(f) Subject to subsection (3), if~~ IF a bond issue  
 5 requires an election, that ~~a~~ THE bond issue ~~that a school dis-~~  
 6 ~~trict wishes to qualify~~ has been given preliminary qualification  
 7 ~~prior to~~ BEFORE the official action of the SCHOOL board ~~of~~  
 8 ~~education~~ calling for the election on the bond issue; THAT THE  
 9 BALLOT LANGUAGE WAS INCLUDED IN THE PRELIMINARY QUALIFICATION,  
 10 PROVIDES A CLEAR STATEMENT OF THE PURPOSE FOR WHICH THE PROCEEDS  
 11 OF THE BONDS WILL BE USED, AND OTHERWISE COMPLIES WITH APPLICABLE  
 12 LAW; AND THAT THE SCHOOL DISTRICT CERTIFIES TO THE STATE TREA-  
 13 SURER BEFORE QUALIFICATION THAT THE SCHOOL DISTRICT PROVIDED TO  
 14 ITS SCHOOL ELECTORS APPROPRIATE DISCLOSURE, IN THE FORM INCLUDED  
 15 IN THE PRELIMINARY QUALIFICATION, OF THE FISCAL IMPACT OF THE  
 16 BOND PROPOSAL, INCLUDING AT LEAST ALL OF THE FOLLOWING:

17 (i) THE ESTIMATED ANNUAL MILLAGE RATE TO BE LEVIED WITH AND  
 18 WITHOUT THE PROPOSED BOND ISSUE.

19 (ii) THE ESTIMATED AVERAGE ANNUAL MILLAGE RATE TO BE LEVIED  
 20 OVER THE TERM OF THE PROPOSED BOND ISSUE IF THE BOND ISSUE IS  
 21 APPROVED COMPARED TO THAT RATE IF THE BOND ISSUE IS NOT  
 22 APPROVED.

23 (iii) THE MAXIMUM PRINCIPAL AMOUNT TO BE BORROWED.

24 (iv) THE NUMBER OF YEARS THE BONDS ARE EXPECTED TO BE  
 25 OUTSTANDING.

26 (v) THE ESTIMATED TOTAL INTEREST COST THAT WILL BE  
 27 INCURRED.

1 (vi) THE ESTIMATED DURATION AND COST OF ANY SCHOOL BOND LOAN  
2 FUND BORROWINGS.

3 ~~(g) If the bonds are issued for a purpose described in sec-~~  
4 ~~tion 1274a of Act No. 451 of the Public Acts of 1976, and if the~~  
5 ~~bonds have not been approved by a majority of the school electors~~  
6 ~~voting on the question, that the school district has demonstrated~~  
7 ~~and the state treasurer has approved the method of payment for,~~  
8 ~~and the ability to pay, the bonds and that the school district~~  
9 ~~has received the prior approval of the department of treasury for~~  
10 ~~the issuance of the bonds under the municipal finance act, Act~~  
11 ~~No. 202 of the Public Acts of 1943, being sections 131.1 to 139.3~~  
12 ~~of the Michigan Compiled Laws.~~

13 (F) THAT THE SCHOOL DISTRICT CAN MEET THE REQUIREMENTS OF  
14 SECTION 2 USING THE ASSUMPTIONS CONTAINED IN THAT SECTION AND  
15 CONSIDERING ANY LAWFUL SUBSIDY THAT THE SCHOOL DISTRICT MAY REA-  
16 SONABLY EXPECT TO RECEIVE.

17 (G) THAT THE SCHOOL DISTRICT CERTIFIES TO THE STATE TREA-  
18 SURER THAT IT HAS COMPLIED WITH ALL LEGAL REQUIREMENTS APPLICABLE  
19 TO ALL PRIOR VOTED BOND ISSUES AND WILL DO SO WITH RESPECT TO THE  
20 BOND ISSUE BEING QUALIFIED.

21 (H) IF THE BOND ISSUE REQUIRES AN ELECTION, THAT THE SCHOOL  
22 DISTRICT CERTIFIES THAT IT WILL NOT EXPEND PROCEEDS OF THE BOND  
23 ISSUE FOR PURPOSES NOT DESCRIBED IN THE BALLOT PROPOSAL APPROVING  
24 THE BOND ISSUE UNLESS OTHERWISE PERMITTED BY LAW TO DO SO.

25 (I) SUBJECT TO SUBSECTION (5), THAT QUALIFICATION OF THE  
26 ISSUE WILL NOT HAVE AN ADVERSE FINANCIAL IMPACT ON THIS STATE OR  
27 THE SCHOOL DISTRICT BASED ON PARAMETERS ESTABLISHED BY THE STATE

1 TREASURER UNDER SUBSECTION (3). IF THE STATE TREASURER  
2 DETERMINES THAT THE BOND ISSUE DOES NOT MEET THIS REQUIREMENT,  
3 THE STATE TREASURER MAY APPROVE THAT PART OF THE BOND ISSUE THAT  
4 DOES MEET THIS REQUIREMENT.

5 (J) THAT THE SCHOOL DISTRICT AGREES TO COMPLETE EACH PROJECT  
6 IN ACCORDANCE WITH THE PLANS FOR THE PROJECT THAT WERE SUBMITTED  
7 IN THE SCHOOL DISTRICT'S APPLICATION FOR PRELIMINARY QUALIFICA-  
8 TION OF BONDS AND APPROVED IN THE BOND ELECTION, IF APPLICABLE,  
9 WITH ONLY THOSE CHANGES AS ARE PERMITTED BY, OR APPROVED BY, THE  
10 STATE TREASURER IN ACCORDANCE WITH THE PROCEDURES ESTABLISHED BY  
11 THE STATE TREASURER UNDER SUBSECTION (3).

12 (K) THAT, AS OF THE DATE THE APPLICATION IS FILED, THE TOTAL  
13 OUTSTANDING PRINCIPAL AMOUNT OF DEBT OF THE SCHOOL DISTRICT,  
14 INCLUDING THE BONDS PROPOSED TO BE QUALIFIED, WILL NOT EXCEED 20%  
15 OF THE ADJUSTED TAXABLE VALUE OF THE SCHOOL DISTRICT FOR THE MOST  
16 RECENT COMPLETED FISCAL YEAR. THIS REQUIREMENT MAY BE WAIVED BY  
17 THE STATE TREASURER IF THE SCHOOL DISTRICT CAN PROVIDE COMPELLING  
18 JUSTIFICATION FOR THE WAIVER. FOR SUCH A WAIVER TO BE EFFECTIVE,  
19 THE WAIVER MUST BE APPROVED BEFORE THE PRELIMINARY QUALIFICATION  
20 OF THE BONDS.

21 (L) THAT QUALIFIED BONDS ISSUED FOR AN ASSET WITH A USEFUL  
22 LIFE OF LESS THAN 30 YEARS WILL NOT BE ISSUED FOR A TERM THAT IS  
23 LONGER THAN THE USEFUL LIFE OF THE ASSET COMPUTED FROM THE DATE  
24 THE ASSET IS PLACED IN SERVICE.

25 (M) THAT PRINCIPAL AMORTIZATION OF THE BOND ISSUE WILL BE  
26 SCHEDULED SO THAT AMORTIZATION OF BONDS IS COMPLETED WITH RESPECT  
27 TO ALL ASSET CLASSIFICATIONS WITHIN THE FINANCED PROJECTS AS



1 DETERMINED BY THE STATE TREASURER BASED ON CRITERIA ESTABLISHED  
2 BY THE STATE TREASURER UNDER SUBSECTION (3).

3 (N) THAT THE SCHOOL DISTRICT CERTIFIES THROUGH ITS APPLICA-  
4 TION FOR FINAL QUALIFICATION THAT IT AGREES TO ALL OF THE  
5 FOLLOWING:

6 (i) EXCEPT TO THE EXTENT OTHERWISE REQUIRED TO MAINTAIN THE  
7 TAX EXEMPT STATUS OF THE BOND ISSUE OR IS NOT OTHERWISE DETRIMEN-  
8 TAL, TO ESTABLISH A COMMON DEBT RETIREMENT FUND FOR ALL ITS  
9 EXISTING AND PROPOSED QUALIFIED BOND ISSUES TO THE EXTENT ALLOW-  
10 ABLE UNDER STATE AND FEDERAL LAW.

11 (ii) IF MORE THAN 1 QUALIFIED DEBT RETIREMENT FUND IS  
12 REQUIRED, TO ALLOCATE THE SCHOOL DISTRICT'S TOTAL DEBT RETIREMENT  
13 MILLAGE AMONG THE VARIOUS QUALIFIED DEBT RETIREMENT FUNDS SO AS  
14 TO MINIMIZE THE AMOUNT OF FUNDS BORROWED FROM THE SCHOOL BOND  
15 LOAN FUND.

16 (iii) TO MAINTAIN ITS BONDED CAPITAL PROJECTS ACCOUNTING  
17 RECORDS IN A MANNER THAT PROVIDES FOR THE COMPARISON OF ACTUAL  
18 EXPENDITURES TO BUDGETED AMOUNTS AS PRESENTED IN ITS APPLICATION  
19 FOR QUALIFICATION OF BONDS.

20 (iv) TO SUBMIT A FINAL REPORT OF BONDING ACTIVITY EXPENDI-  
21 TURES, IN A FORMAT AS PRESCRIBED BY THE STATE TREASURER, THAT HAS  
22 BEEN AUDITED IN ACCORDANCE WITH SECTION 1351A OF THE REVISED  
23 SCHOOL CODE, 1976 PA 451, MCL 380.1351A. IF THIS AUDIT OR ANY  
24 OTHER LAWFUL REVIEW BY THE STATE TREASURER IDENTIFIES EXPENDI-  
25 TURES THAT WERE IMPROPERLY CHARGED TO A CAPITAL PROJECTS FUND  
26 FINANCED FROM QUALIFIED BOND PROCEEDS, THE SCHOOL DISTRICT SHALL

1 REIMBURSE THE CAPITAL PROJECTS FUND OR ITS SUCCESSOR DEBT  
2 RETIREMENT FUND FOR THE AMOUNT OF IMPROPER EXPENDITURES.

3 (v) TO COMPLETE DEBT SERVICE TRANSACTIONS INCLUDING, BUT NOT  
4 LIMITED TO, TAX COLLECTION, LOAN APPLICATIONS, AND DEBT SERVICE  
5 PAYMENTS, FOR ALL OF ITS QUALIFIED BONDS IN ACCORDANCE WITH PRO-  
6 CEDURES PRESCRIBED BY THE STATE TREASURER.

7 (O) THAT THE SCHOOL DISTRICT HAS NOT HELD MORE THAN  
8 1 ELECTION ON APPROVAL OF THE BOND ISSUE IN ANY 6-MONTH PERIOD.

9 (2) ~~For refunding bonds issued to refund bonds issued~~  
10 ~~before May 4, 1955, the superintendent of public instruction~~  
11 ~~shall issue the certificate of qualification if the superinten-~~  
12 ~~dent finds that the refunding bonds comply with the requirements~~  
13 ~~set forth in subsection (1)(c). For refunding bonds issued to~~  
14 ~~refund bonds issued on or after May 4, 1955, or issued to~~  
15 ~~refund loans from the state made under the authority of this act,~~  
16 ~~the superintendent~~ STATE TREASURER shall issue the certificate  
17 of qualification if the ~~superintendent~~ STATE TREASURER finds  
18 that the refunding bonds comply with the requirements set forth  
19 in subsection ~~(1)(c)~~ (1)(B), (1)(C), AND (1)(N), TO THE EXTENT  
20 THOSE PROVISIONS ARE APPLICABLE TO REFUNDING BONDS, and also that  
21 the refunding bonds are being issued to refund loans from the  
22 state made under the authority of this act or that the bonds rep-  
23 resenting the original indebtedness ~~either~~ were qualified ~~or~~  
24 ~~satisfied the requirements for qualification set forth in~~  
25 ~~subsection (1)(d) and (e) in effect when issued or would have~~  
26 ~~satisfied the requirements set forth in subsection (1)(d) and (e)~~  
27 ~~had those requirements been in effect when the bonds were issued~~

1 UNDER THIS ACT. Refunding bonds issued to refund loans from the  
2 state made under the authority of this act shall be considered as  
3 refunding bonds for all purposes including section 16 of article  
4 IX of the state constitution of 1963.

5       (3) ~~The requirement of subsection (1)(f) does not apply to~~  
6 ~~a bond issue that is approved by the school district electors~~  
7 ~~between December 31, 1990 and July 1, 1991 and that is in part~~  
8 ~~ineligible for qualification. A series of bonds for such a bond~~  
9 ~~issue may be qualified by the superintendent of public instruc-~~  
10 ~~tion if it is limited to either a project or projects eligible~~  
11 ~~for qualification or refunding of obligations issued for a pur-~~  
12 ~~pose described in section 1274a of Act No. 451 of the Public Acts~~  
13 ~~of 1976, or both.~~ THE STATE TREASURER SHALL DEVELOP, PUBLISH IN  
14 1 OR MORE TREASURY BULLETINS, REVIEW AT LEAST ANNUALLY, AND  
15 REVISE AS NEEDED ALL OF THE FOLLOWING:

16       (A) COST PARAMETERS AS DESCRIBED IN SUBSECTION (1)(C).

17       (B) PARAMETERS FOR DETERMINING ADVERSE FINANCIAL IMPACT AS  
18 DESCRIBED IN SUBSECTION (1)(I).

19       (C) PROCEDURES FOR APPROVAL OF CHANGES IN PROJECTS AS  
20 DESCRIBED IN SUBSECTION (1)(J).

21       (D) CRITERIA FOR DETERMINING PROPER AMORTIZATION AS  
22 DESCRIBED IN SUBSECTION (1)(M).

23       (E) ANY OTHER CRITERIA RELEVANT TO THIS ACT THAT THE STATE  
24 TREASURER CONSIDERS NECESSARY TO EVALUATE COMPLIANCE WITH SUBSEC-  
25 TION (1).

26       (4) IN DETERMINING WHETHER A BOND ISSUE OR APPLICATION MEETS  
27 THE REQUIREMENTS OF SUBSECTION (1), THE STATE TREASURER SHALL NOT

1 REQUIRE COMPLIANCE WITH ANY REQUIREMENT ESTABLISHED BY THE STATE  
2 TREASURER UNDER SUBSECTION (3) THAT IS PUBLISHED LESS THAN 30  
3 DAYS BEFORE THE DATE THE APPLICATION IS RECEIVED BY THE STATE  
4 TREASURER.

5       (5) IF THE STATE TREASURER DETERMINES UNDER SUBSECTION  
6 (1)(I) THAT THE QUALIFICATION OF A BOND ISSUE, IN WHOLE OR IN  
7 PART, WILL HAVE AN ADVERSE FINANCIAL IMPACT ON THIS STATE OR THE  
8 SCHOOL DISTRICT BASED ON PARAMETERS ESTABLISHED BY THE STATE  
9 TREASURER UNDER SUBSECTION (3), THE STATE TREASURER SHALL NOTIFY  
10 THE SCHOOL BOARD OF THE SCHOOL DISTRICT IN WRITING OF THIS DETER-  
11 MINATION AT LEAST 60 DAYS BEFORE MAKING THE FINAL DETERMINATION  
12 OF WHETHER TO ISSUE HIS OR HER CERTIFICATE QUALIFYING THE BOND  
13 ISSUE. THE SCHOOL BOARD SHALL HOLD A PUBLIC MEETING WITHIN 30  
14 DAYS AFTER RECEIVING THIS NOTIFICATION TO REVIEW THE STATE  
15 TREASURER'S CONCERNS AND, AFTER DISCUSSION AND CITIZEN INPUT, THE  
16 SCHOOL BOARD SHALL VOTE ON EACH CONCERN RAISED BY THE STATE TREA-  
17 SURER ON WHETHER TO CONTINUE TO HAVE THAT ASPECT OF THE PROJECT  
18 REMAIN IN THE BOND ISSUE. WITHIN 5 DAYS AFTER THIS MEETING, THE  
19 SCHOOL BOARD SHALL NOTIFY THE STATE TREASURER IN WRITING OF THE  
20 SCHOOL BOARD'S ACTION. IF THE SCHOOL BOARD HAS ADOPTED A RESOLU-  
21 TION STATING THAT A DISPUTED PART OF THE BOND ISSUE SHOULD REMAIN  
22 IN THE PROJECT, THE STATE TREASURER MAY NOT DISAPPROVE THE QUALI-  
23 FICATION OF THE BOND ISSUE UNDER SUBSECTION (1)(I) BASED ON THAT  
24 PART OF THE BOND ISSUE. THE DECISION OF THE SCHOOL BOARD IS  
25 FINAL.

26       (6) IN DETERMINING WHETHER COMPELLING JUSTIFICATION EXISTS,  
27 THE STATE TREASURER SHALL CONSIDER THE HEALTH, SAFETY, AND

1 WELFARE OF THE SCHOOL DISTRICT AND SHALL CONSIDER THE ABILITY OF  
2 THE SCHOOL DISTRICT TO PROVIDE ADEQUATE EDUCATIONAL PROGRAMS.

3       Sec. 4a. (1) Subject to subsection (2), an unexpended bal-  
4 ance of the proceeds of sale of any school district bonds  
5 ~~heretofore or hereafter issued,~~ remaining after completion of  
6 ~~the project, to the extent of~~ ALL PROJECTS AUTHORIZED IN THAT  
7 BOND ISSUE SHALL BE APPLIED FIRST TO REPAYMENT OF ANY AMOUNT OWED  
8 TO THE SCHOOL BOND LOAN FUND FOR THAT BOND ISSUE AND THEN TO THE  
9 PAYMENT OR PREPAYMENT OF PRINCIPAL ON THAT BOND ISSUE. HOWEVER,  
10 IF PERMISSION IS GRANTED IN WRITING BY THE STATE TREASURER, SOME  
11 OR ALL OF THE UNEXPENDED BALANCE, NOT TO EXCEED 15% of the amount  
12 of the BOND issue, ~~or, for a fourth class school district~~  
13 ~~located in a county with a population of not more than 27,000, to~~  
14 ~~the extent of 40% of the amount of the issue, with the approval~~  
15 ~~of the electors in the case of bonds issued before August 28,~~  
16 ~~1964, may be used for school construction, equipment and site~~  
17 ~~acquisition and development if that use is approved by the super-~~  
18 ~~intendent of public instruction, and any remaining balance shall~~  
19 ~~be paid immediately into the bond and interest redemption fund~~  
20 ~~established for the bonds and shall be used either for the~~  
21 ~~redemption of callable bonds, or, before the first call date~~  
22 ~~only, for purchasing the bonds on the open market at not more~~  
23 ~~than the fair market value or used to reduce the amount required~~  
24 ~~to be levied to meet current principal and interest on the bonds~~  
25 ~~as they become due. Any unexpended balance of the proceeds of~~  
26 ~~sale of any school district bonds heretofore or hereafter issued,~~  
27 ~~remaining after payment in full of the principal of and interest~~

~~1 on the bonds, may be used to increase or continue expenditures~~  
~~2 for any of the projects or purposes for which the bonds were ini-~~  
~~3 tially authorized and issued, even though all projects for which~~  
~~4 the bonds were initially authorized and issued have not been~~  
~~5 completed. This section shall apply unless allocations of speci-~~  
~~6 fied amounts for stated projects or purposes were contained in~~  
~~7 the ballot question by which the bonds were initially authorized,~~  
~~8 in which case the use must be approved by the superintendent of~~  
~~9 public instruction~~ MAY BE USED FOR CAPITAL EXPENDITURES.

10       (2) The ~~superintendent of public instruction~~ STATE  
 11 TREASURER shall not approve ~~a~~ THE use of ~~the~~ AN unexpended  
 12 balance of the proceeds of any school district bonds FOR ADDI-  
 13 TIONAL CAPITAL EXPENDITURES as authorized under subsection (1)  
 14 unless he or she finds that the school district seeking approval  
 15 has demonstrated a compelling justification for ~~not immediately~~  
 16 ~~paying all of the unexpended balance into the bond and interest~~  
 17 ~~redemption fund established for the bonds~~ THAT USE.

18       ~~(3) As used in this section, "fourth class school district"~~  
 19 ~~means a school district organized as a school district of the~~  
 20 ~~fourth class under the school code of 1976, Act No. 451 of the~~  
 21 ~~Public Acts of 1976, being sections 380.1 to 380.1852 of the~~  
 22 ~~Michigan Compiled Laws.~~

23       Sec. 5. All certificates of qualification shall be kept in  
 24 a permanent file in the office of the ~~superintendent of public~~  
 25 ~~instruction~~ STATE TREASURER and copies ~~thereof~~ OF THESE  
 26 CERTIFICATES shall be delivered to the school district. ~~and to~~  
 27 ~~the office of the municipal finance commission or its successor~~

1 ~~agency. Applications~~ A SCHOOL DISTRICT SHALL APPLY for ~~such~~  
 2 ~~certificates shall be made~~ PRELIMINARY QUALIFICATION AND FOR A  
 3 CERTIFICATE OF QUALIFICATION on forms prepared and supplied by  
 4 the ~~superintendent of public instruction and he or she~~ STATE  
 5 TREASURER. THE STATE TREASURER shall prescribe reasonable rules  
 6 and regulations in respect ~~thereto~~ TO THE APPLICATIONS. If  
 7 ~~prior to the issuance of bonds, the~~ A school district does not  
 8 secure ~~such~~ A certificate of qualification from the  
 9 ~~superintendent of public instruction~~ STATE TREASURER BEFORE THE  
 10 ISSUANCE OF BONDS, it shall be ~~deemed~~ CONSIDERED to have waived  
 11 the right to have ~~such~~ THOSE bonds ~~so~~ qualified.

12       Sec. 6. (1) ~~In~~ FOR any school district THAT OWES AN  
 13 EXISTING BALANCE DUE TO THE SCHOOL BOND LOAN FUND OR where the  
 14 amount necessary to be levied in any year for principal and  
 15 interest on qualified bonds, including any necessary allowance  
 16 for estimated tax delinquencies but excluding any funds pledged  
 17 to and available for the payment of the principal and interest,  
 18 exceeds that amount stipulated in section 2, the school district,  
 19 on or before 60 days ~~prior to~~ BEFORE the time of the certifica-  
 20 tion of its tax levy to the assessing officer, shall file with  
 21 the ~~superintendent of public instruction and the municipal~~  
 22 ~~finance commission or its successor agency a preliminary applica-~~  
 23 ~~tion for a loan from the state in the amount of any part of such~~  
 24 ~~excess over that amount stipulated in section 2 which it does not~~  
 25 ~~propose to levy in such year~~ STATE TREASURER AN ANNUAL LOAN  
 26 ACTIVITY APPLICATION THAT PROVIDES AN ESTIMATE OF THE AMOUNT TO  
 27 BE BORROWED FROM OR REPAYED TO THE SCHOOL BOND LOAN FUND DURING

1 THAT SCHOOL FISCAL YEAR. If the excess over that amount  
2 stipulated in section 2 is reached or increased by reason of  
3 bonds authorized by resolution of the SCHOOL board ~~of education~~  
4 of the school district within the 60-day period, ~~an original or~~  
5 ~~amended application shall be filed within that period. An appli-~~  
6 ~~cation shall set forth the amount of the last state equalized~~  
7 ~~valuation of the school district and, for each of the 5 years~~  
8 ~~immediately preceding the application, the amount of principal~~  
9 ~~and interest on qualified bonds necessary to be levied upon the~~  
10 ~~tax roll of that year, the amount of any moneys on hand pledged~~  
11 ~~to and available for the payment of the principal and interest,~~  
12 ~~the probable delinquency in tax collections at the times the~~  
13 ~~principal and interest will become due, the estimated amount of~~  
14 ~~the loan which will be required from the state, and any other~~  
15 ~~pertinent facts which may be required to be included in the~~  
16 ~~application by the superintendent of public instruction~~ THE DOC-  
17 UMENTATION SUBMITTED AT THE TIME OF FINAL QUALIFICATION IS CON-  
18 sidered TO MEET THIS ACTIVITY APPLICATION REQUIREMENT.

19 (2) THE ANNUAL LOAN ACTIVITY APPLICATION REQUIRED UNDER  
20 SUBSECTION (1) SHALL BE SUBMITTED IN A FORMAT PRESCRIBED BY THE  
21 STATE TREASURER AND SHALL PROVIDE THE ADJUSTED TAXABLE VALUE,  
22 DEBT SERVICE, AND ANY OTHER INFORMATION NECESSARY TO DETERMINE  
23 THE PROPER REQUIRED MILLAGE LEVY AS PRESCRIBED IN SECTION 2. THE  
24 APPLICATION SHALL INCLUDE A RESOLUTION PASSED BY THE SCHOOL BOARD  
25 AUTHORIZING A DESIGNATED SCHOOL DISTRICT OFFICIAL TO COMPLETE ALL  
26 NECESSARY DOCUMENTS TO OBTAIN A LOAN FROM THE SCHOOL BOND LOAN



1 FUND OR FOR MAKING REPAYMENT TO THE SCHOOL BOND LOAN FUND FOR THE  
2 YEAR.

3       (3) The ~~superintendent of public instruction~~ STATE  
4 TREASURER shall examine ~~the~~ AN ANNUAL LOAN ACTIVITY application  
5 and shall ~~request the state treasurer to compute~~ DETERMINE the  
6 ~~computed~~ millage REQUIRED under section ~~2(2), if applicable,~~  
7 2 as soon as possible and notify the school district of any erro-  
8 neous statements or assumptions in the application ~~and~~ within  
9 the 60-day period. ~~shall approve or deny the preliminary appli-~~  
10 ~~cation in whole or in part and shall notify the school district~~  
11 ~~of his or her action.~~ The school district shall include in its  
12 tax levy ~~any~~ THE amount ~~otherwise~~ required to be levied for  
13 the payment of principal and interest on qualified bonds for  
14 which it does not secure approval for a state loan ~~as aforesaid~~  
15 UNDER SECTION 2.

16       Sec. 7. (1) If a loan from the state ~~shall become~~ BECOMES  
17 necessary for the payment of principal and interest on qualified  
18 bonds in accordance with ~~such approved preliminary application~~  
19 A SCHOOL DISTRICT'S SCHOOL BOND LOAN FUND ANNUAL LOAN ACTIVITY  
20 APPLICATION UNDER SECTION 6, or for any reason pursuant to ~~said~~  
21 section 16 of article ~~9~~ IX of the STATE CONSTITUTION OF 1963  
22 ~~constitution~~ and this act, then the school district shall file  
23 with the ~~superintendent of public instruction a supplemental~~  
24 ~~application (or an original application, if no preliminary appli-~~  
25 ~~cation has been filed), setting forth the amount of the tax col-~~  
26 ~~lections to the date of said application, an estimate of probable~~  
27 ~~collections prior to the time when such principal and interest~~

~~1 will become due and the amount of the loan necessary from the~~  
~~2 state. Such supplemental or original~~ STATE TREASURER AN APPLI-  
3 CATION FOR A LOAN UNDER THIS ACT AND A CONFIRMATION OF THE FINAL  
4 LOAN AMOUNT IN THE FORMAT PRESCRIBED BY THE STATE TREASURER.  
5 THIS application shall be made not less than 30 days ~~prior to~~  
6 BEFORE the time when the proceeds of the loan will be necessary  
7 in order to pay maturing principal or interest or both. ~~Upon~~  
8 ~~receipt of such supplemental or original application, it shall be~~  
9 ~~the duty of the superintendent of public instruction, after~~  
10 ~~auditing the same, to forward to the state treasurer a statement~~  
11 ~~setting forth the amount to be loaned to the school district for~~  
12 ~~the payment of principal and interest and the date on or before~~  
13 ~~which such loan shall be made. He shall also prepare the proper~~  
14 ~~voucher as a basis for the issuance of the necessary warrant in~~  
15 ~~accordance with state accounting practices. Upon receipt of such~~  
16 ~~statement and warrant, it shall be the duty of the state trea-~~  
17 ~~surer to loan to the school district from "the school bond loan~~  
18 ~~fund" the amount set forth in the statement of the superintendent~~  
19 ~~of public instruction on or before the date specified therein.~~  
20 The state treasurer upon the making of said loan shall obtain  
21 from the school district a receipt for the amount so loaned,  
22 which receipt shall specify THE SCHOOL DISTRICT SHALL FILE A  
23 CONFIRMATION OF FINAL LOAN AMOUNT NOT LESS THAN 10 DAYS BEFORE  
24 THE TIME WHEN PROCEEDS OF THE LOAN WILL BE NECESSARY IN ORDER TO  
25 PAY MATURING PRINCIPAL OR INTEREST OR BOTH. THE STATE TREASURER  
26 MAY WAIVE THE REQUIREMENT FOR SUBMISSION OF THE APPLICATION FOR  
27 LOAN FOR A SCHOOL DISTRICT THAT HAS DEMONSTRATED THE CAPABILITY

1 TO MEET THE REQUIREMENTS OF SECTION 2 AND HAS BEEN RESPONSIBLE IN  
2 THE DISCHARGE OF ITS DEBTS IN AN ORDERLY AND BUSINESSLIKE  
3 MANNER.

4 (2) UPON RECEIPT OF AN APPLICATION FOR LOAN, THE STATE TREA-  
5 SURER SHALL EXAMINE DOCUMENTS AND NOTIFY THE SCHOOL DISTRICT OF  
6 ANY ERRONEOUS STATEMENTS. UPON RECEIPT OF A CONFIRMATION OF LOAN  
7 AMOUNT, THE STATE TREASURER SHALL LOAN TO THE SCHOOL DISTRICT  
8 FROM THE SCHOOL BOND LOAN FUND THE AMOUNT DETERMINED BY THE STATE  
9 TREASURER IN ACCORDANCE WITH THIS ACT ON OR BEFORE THE DATE SPEC-  
10 IFIED IN THE APPLICATION.

11 (3) WITH RESPECT TO A LOAN MADE TO A SCHOOL DISTRICT UNDER  
12 THIS SECTION OR ANY OTHER PROVISION OF THIS ACT, THE SCHOOL DIS-  
13 TRICT IS CONSIDERED TO HAVE AGREED TO the terms of repayment in  
14 accordance with the provisions of ~~said~~ section 16 of article  
15 ~~9~~ IX of the STATE CONSTITUTION OF 1963 ~~constitution~~ and this  
16 act. Upon receipt by ~~any~~ THE school district of ~~such~~ THE  
17 loan, ~~it shall be the duty of~~ the treasurer ~~thereof to~~ OF THE  
18 SCHOOL DISTRICT SHALL cause the ~~same~~ PROCEEDS to be deposited  
19 in the debt retirement fund and used solely for the payment of  
20 principal and interest on qualified bonds.

21 Sec. 8. (1) If for any reason ~~any~~ A school district will  
22 be or is unable to pay the principal and interest on its quali-  
23 fied bonds when due, then the school district shall borrow and  
24 the state shall loan to it an amount sufficient to enable the  
25 school district to make the payment. ~~Any~~ A school district  
26 ~~which~~ THAT finds that it will be or is unable to pay ~~such~~ THE  
27 principal or interest ON ITS QUALIFIED BONDS when due shall

1 ~~forthwith~~ PROMPTLY make application for the necessary loan and  
 2 the state shall, in time to prevent default in ~~such~~ THE pay-  
 3 ment, make ~~such~~ THE loan and obtain a receipt ~~therefor as pro-~~  
 4 ~~vided in section 7 of this act~~ FOR THE LOAN. ~~In the event~~  
 5 that

6 (2) UPON NOTIFICATION ACCEPTABLE TO THE STATE TREASURER FROM  
 7 THE AGENT OR OFFICER CHARGED WITH MAKING PAYMENT OF BOND PRINCI-  
 8 PAL OR INTEREST THAT THE SCHOOL DISTRICT HAS NOT DEPOSITED SUFFI-  
 9 CIENT FUNDS TO PAY THE PRINCIPAL OR INTEREST ON ANY QUALIFIED  
 10 BOND WHEN DUE, WHETHER OR NOT AN APPLICATION FOR A LOAN TO PAY  
 11 THE PRINCIPAL OR INTEREST HAS BEEN MADE OR APPROVED, THE STATE  
 12 TREASURER SHALL PROMPTLY PAY FUNDS TO THAT AGENT OR OFFICER TO BE  
 13 USED TO PAY THE PRINCIPAL OR INTEREST ON THE QUALIFIED BOND WHEN  
 14 DUE. IF the principal or interest on any qualified bond is not  
 15 paid when due upon proper ~~presentation of the bond or interest~~  
 16 ~~coupon to the agent or~~ NOTIFICATION FROM THE officer charged  
 17 with making payment, ~~thereof (irrespective of~~ whether OR NOT an  
 18 application for a loan to pay ~~such~~ THE principal or interest  
 19 has been made or ~~approved~~) APPROVED, the state treasurer shall  
 20 ~~forthwith~~ PROMPTLY pay ~~such~~ THE principal or interest TO THE  
 21 BONDHOLDER upon presentation of the bond or coupon to ~~him~~ THE  
 22 STATE TREASURER. Any amount ~~so~~ paid by the state treasurer  
 23 ~~shall be deemed~~ UNDER THIS SUBSECTION IS CONSIDERED a loan made  
 24 to the school district pursuant to the requirements of ~~said~~  
 25 section 16 of article ~~9~~ IX of the STATE CONSTITUTION OF 1963  
 26 ~~constitution~~ and this act, and the school district shall give a  
 27 receipt ~~therefor~~ FOR THE AMOUNT LOANED and repay ~~such~~ THE

1 loan in the same manner as ~~hereinbefore~~ provided IN THIS ACT  
 2 with respect to other loans ~~:- Provided, That any~~ UNDER THIS  
 3 ACT. ANY funds of the school district ~~which~~ THAT are or become  
 4 available in its hands or in the hands of the paying agent or  
 5 officer for payment of the principal or interest ~~which~~ THAT has  
 6 been paid by the state treasurer UNDER THIS SUBSECTION shall  
 7 ~~forthwith~~ PROMPTLY be remitted to the state treasurer and  
 8 applied toward repayment of ~~said~~ THE loan UNDER THIS SECTION.

9       Sec. 9. (1) Except as provided in this section, section 2,  
 10 and section 10a, ~~any~~ A school district having received 1 or  
 11 more loans from ~~"the~~ THE school bond loan ~~funds" under sec-~~  
 12 ~~tions 27 and 28 of article X of the state constitution of 1908 or~~  
 13 ~~section 16 of article IX of the state constitution of 1963 and~~  
 14 ~~implementing acts~~ FUND shall continue to levy on its tax rolls  
 15 not less than ~~13 mills~~ THE MILLAGE RATE LEVIED BY THE SCHOOL  
 16 DISTRICT DURING THE MOST RECENT YEAR IN WHICH THE SCHOOL DISTRICT  
 17 WAS RECEIVING A LOAN FROM THE SCHOOL BOND LOAN FUND or the  
 18 ~~computed~~ millage RATE REQUIRED under section ~~2(2)~~ 2, which-  
 19 ever is ~~less~~ GREATER, on each dollar of its ~~assessed valuation~~  
 20 ~~as last equalized by the state~~ ADJUSTED TAXABLE VALUE, exclusive  
 21 of any levy for unqualified bonds or for school operating pur-  
 22 poses, until all loans made to the school district by the state  
 23 are repaid with interest at rates to be annually determined by  
 24 the state treasurer. Except as provided in this section, these  
 25 rates shall represent ~~not more than~~ the PROJECTED average  
 26 interest rate TO BE paid by the state on obligations issued under  
 27 ~~sections 27 and 28 of article X of the state constitution of~~

1 ~~1908 and~~ section 16 of article IX of the state constitution of  
2 1963 and implementing acts PROJECTED TO BE OUTSTANDING OVER THE  
3 NEXT SUCCEEDING 5-YEAR PERIOD, AS DETERMINED BY THE STATE  
4 TREASURER, and, except to the extent required to maintain the  
5 tax-exempt status of bonds or notes issued by the state pursuant  
6 to this act and ~~Act No. 112 of the Public Acts of 1961, being~~  
7 ~~sections 388.981 to 388.985 of the Michigan Compiled Laws 1961~~  
8 PA 112, MCL 388.981 TO 388.985, not less than that PROJECTED  
9 average interest rate, computed to the nearest 1/8 of 1%. The  
10 state treasurer shall annually certify to the several borrowing  
11 SCHOOL districts the rate of interest to be currently collected.  
12 The proceeds of each ~~such~~ levy shall be used first for the pay-  
13 ment of the minimum principal and interest requirements on the  
14 qualified bonds that ~~shall~~ become due before the next tax col-  
15 lection, and any balance INCLUDING ANY ANNUAL EXCESS shall be  
16 paid to the state until the principal and interest due the state  
17 are paid. THE SCHOOL DISTRICT SHALL CALCULATE THE AMOUNT OF  
18 EXCESS, IF ANY, AFTER THE COMPLETION OF EACH SEMIANNUAL DEBT  
19 SERVICE PAYMENT AND SHALL REMIT THE UNENCUMBERED PORTION TO THE  
20 STATE WITHIN 30 DAYS AFTER THE COMPLETION OF THE SEMIANNUAL DEBT  
21 SERVICE PAYMENT. THE INTEREST PAYMENT OR ACCRUAL REQUIRED BY  
22 THIS SECTION AND THIS ACT MAY BE REDUCED AS PROVIDED BY ANY  
23 LAWFUL SUBSIDY.

24 (2) Before the adoption of a resolution approving annexation  
25 and transfer of a school district to be divided pursuant to  
26 part 10a of the ~~school code of 1976, Act No. 451 of the Public~~  
27 ~~Acts of 1976, being sections 380.941 to 380.949 of the Michigan~~

1 ~~Compiled Laws~~ REVISED SCHOOL CODE, 1976 PA 451, MCL 380.941 TO  
2 380.949, the superintendent of public instruction and the state  
3 treasurer may issue a joint order determining that, upon division  
4 of a school district pursuant to part 10a of the ~~school code of~~  
5 ~~1976~~ REVISED SCHOOL CODE, the divided SCHOOL district or any  
6 other school district affected by the division, or all, may cease  
7 levying on its tax rolls for all or a portion, as shall be deter-  
8 mined in the joint order by the superintendent of public instruc-  
9 tion and the state treasurer, of the amount required by subsec-  
10 tion (1) for repayment of all or a portion of the principal of or  
11 interest on, or both, the loans received before the issuance of  
12 the joint order from the school bond loan fund for a number of  
13 years to be determined in the joint order by the superintendent  
14 of public instruction and the state treasurer, not to exceed 5  
15 years, beginning with the first tax levy after the election  
16 approving the division or until the bonded indebtedness of the  
17 district for which loans have been received has been paid in full  
18 or provision for the payment has been made, whichever occurs  
19 first. During the period in which the levy is waived pursuant to  
20 this subsection, the school district payments due to the state  
21 pursuant to subsection (1) from that waived levy shall be  
22 waived. After expiration of the period of waiver, each school  
23 district shall levy each year for repayment of loans an amount  
24 designated in the order of the ~~superintendent of public instruc-~~  
25 ~~tion and the~~ state treasurer, which amount, when added to the  
26 amount required for debt service, shall not be more than the  
27 amount required by subsection (1) until all loans to the school

1 district by the state are repaid with interest at rates to be  
 2 determined annually by the state treasurer. A school district  
 3 determining not to levy for loan repayment during the following  
 4 year shall notify before December 15 of each year the state trea-  
 5 surer of its determination not to levy and shall supply the  
 6 ~~superintendent of public instruction or the~~ state treasurer  
 7 with any additional related information the ~~superintendent of~~  
 8 ~~public instruction or the~~ state treasurer ~~shall require~~  
 9 REQUIRES.

10 (3) During any year in which a school district levy is  
 11 waived UNDER THIS SECTION, an amount equal to the annual interest  
 12 for that year on the amount owed by the school district to the  
 13 school bond loan fund shall be added to the amount of loans to  
 14 the school district by the state.

15 (4) Any repayment of principal or interest that was waived  
 16 pursuant to subsection (2) shall be transferred to the general  
 17 fund. ~~if general fund revenue supplements were required to pay~~  
 18 ~~obligations issued under sections 27 and 28 of article X of the~~  
 19 ~~state constitution of 1908 or section 16 of article IX of the~~  
 20 ~~state constitution of 1963 during the period of the waiver.~~

21 Sec. 9b. To receive a loan under this act, ~~or a general~~  
 22 ~~fund incentive payment under section 9a,~~ a school district shall  
 23 agree to take actions and to refrain from taking actions as nec-  
 24 essary to maintain the tax-exempt status of bonds or notes issued  
 25 by the state pursuant to this act and ~~Act No. 112 of the Public~~  
 26 ~~Acts of 1961, being sections 388.981 to 388.985 of the Michigan~~  
 27 ~~Compiled Laws~~ 1961 PA 112, MCL 388.981 TO 388.985. The state



1 treasurer shall take the actions permitted by law that are  
2 necessary to maintain the tax-exempt status of obligations issued  
3 by school districts to provide the funds to repay a loan made  
4 under this act.

5       SEC. 9C. A SCHOOL DISTRICT THAT HAS AN EXISTING BALANCE DUE  
6 TO THE SCHOOL BOND LOAN FUND SHALL INCLUDE IN ITS AUDIT REPORT  
7 FILED UNDER SECTION 5 OF CHAPTER III OF THE MUNICIPAL FINANCE  
8 ACT, 1943 PA 202, MCL 133.5, A REVIEW OF ITS SCHOOL BOND LOAN  
9 ACTIVITIES AND QUALIFIED BOND DEBT RETIREMENT ACTIVITIES. THIS  
10 REVIEW SHALL PROVIDE AN OPINION ON THE SCHOOL DISTRICT'S COMPLI-  
11 ANCE WITH THE REQUIREMENTS OF THIS ACT REGARDING BORROWING AND  
12 REPAYMENT OF THE SCHOOL BOND LOAN FUND. THIS OPINION SHALL BE  
13 INCLUDED IN THE SCHOOL DISTRICT'S ANNUAL AUDIT REPORT UNDER THIS  
14 SECTION.

15       Sec. 10. Except as provided in section 10a, if a school  
16 district that has 1 or more loans pursuant to either this act or  
17 ~~Act No. 151 of the Public Acts of 1955, as amended, being sec-~~  
18 ~~tions 388.931 to 388.938 of the Michigan Compiled Laws~~ 1955  
19 PA 151, MCL 388.931 TO 388.938, or both, fails to levy at least  
20 the amount specified in section 2 or section 9, as applicable,  
21 upon its ~~state equalized valuation~~ ADJUSTED TAXABLE VALUE for  
22 debt retirement purposes for qualified bonds and for repayment of  
23 a state loan made under this act while any part of the loan is  
24 unpaid, FAILS TO PROPERLY ALLOCATE ITS MILLAGE BETWEEN DEBT SERV-  
25 ICE ACCOUNTS, or defaults in its agreement to repay a loan or any  
26 installment of a loan, ~~money~~ THE SCHOOL DISTRICT SHALL INCREASE  
27 PAYMENTS TO THE SCHOOL BOND LOAN FUND BY THE AMOUNT OF THE

1 DEFAULT DURING THE NEXT TAX YEAR THROUGH AN INCREASE IN THE  
2 ANNUAL DEBT SERVICE MILLAGE LEVY ABOVE THE AMOUNT THAT WOULD HAVE  
3 BEEN REQUIRED BY STATUTE TO MEET THAT YEAR'S DEBT SERVICE NEEDS,  
4 OR THE PREVIOUS YEAR'S DEBT LEVY, WHICHEVER IS GREATER. THE  
5 SCHOOL DISTRICT MAY USE OTHER METHODS OF REIMBURSING THE SCHOOL  
6 BOND LOAN FUND INCLUDING A TRANSFER OF GENERAL FUNDS, IF APPROVED  
7 BY THE STATE TREASURER. MONEY shall not be distributed to the  
8 school district out of the state school aid fund until satisfac-  
9 tory arrangements have been made with the ~~superintendent of~~  
10 ~~public instruction~~ STATE TREASURER for the payment of the amount  
11 in default.

12       Sec. 10a. Upon request made by a school district before  
13 June 1 of any year, the ~~superintendent of public instruction and~~  
14 ~~the~~ state treasurer annually may ~~jointly~~ issue an order waiv-  
15 ing all or a portion of the millage required to be levied by ~~a~~  
16 THE school district pursuant to section 9(1) if he or she finds  
17 all of the following:

18       (a) The school board of the school district has applied to  
19 the department of ~~education~~ TREASURY for permission to levy  
20 less than the millage required to be levied pursuant to  
21 section 9(1).

22       (b) The application UNDER SUBDIVISION (A) specifies the  
23 number of mills the school district requests permission to levy.

24       (c) The school board, by resolution, has agreed to transfer  
25 from available identified funds of the school district to the  
26 school debt retirement fund an amount equal to the amount that

1 would have been raised by the levy of the millage requested to be  
2 waived.

3 (d) The school board, by resolution, has agreed that the  
4 funds to be transferred to the school debt retirement fund shall  
5 be earmarked for the payment of state loans to the school dis-  
6 trict and for debt retirement purposes for qualified bonds before  
7 taxes are certified for the year the school board is requesting  
8 permission to levy less than the millage required to be levied  
9 pursuant to section 9(1).

10 (e) The school board, by resolution, has agreed to comply  
11 with all conditions that the ~~superintendent of public instruc-~~  
12 ~~tion and the~~ state treasurer ~~consider are~~ CONSIDERS  
13 necessary.

14 Sec. 11. (1) ~~Any~~ A school district applying for prelimi-  
15 nary qualification of bonds or final qualification of refunding  
16 bonds under this act shall pay a fee for the preliminary qualifi-  
17 cation of bonds ~~or~~ AND final qualification of BONDS, INCLUDING  
18 refunding bonds, which fee shall be used toward defraying the  
19 administrative expenses in connection with this act, WITH 1961  
20 PA 112, MCL 388.981 TO 388.985, and ~~Act No. 151 of the Public~~  
21 ~~Acts of 1955, as amended, being sections 388.931 to 388.938 of~~  
22 ~~the Michigan Compiled Laws~~ WITH 1955 PA 151, MCL 388.931 TO  
23 388.938.

24 (2) The fee FOR FINAL QUALIFICATION shall be paid to the  
25 ~~superintendent of public instruction~~ STATE TREASURER within 30  
26 days after the money obtained through the sale of the preliminary  
27 qualified bonds or finally qualified refunding bonds has been

1 received by the treasurer of the SCHOOL board ~~of education~~ of  
2 the school district. ~~The superintendent of public instruction~~  
3 ~~shall promulgate necessary rules in accordance with the adminis-~~  
4 ~~trative procedures act of 1969, Act No. 306 of the Public Acts of~~  
5 ~~1969, being sections 24.201 to 24.328 of the Michigan Compiled~~  
6 ~~Laws.~~ The amount of the fee FOR FINAL QUALIFICATION to be  
7 charged to the school district shall be determined by the  
8 ~~superintendent of public instruction~~ STATE TREASURER. The  
9 amount of the fee shall vary according to the amount of the bond  
10 issue, ~~except that it shall not be less than \$100.00, and the~~  
11 BASED ON A SCHEDULE PUBLISHED BY THE STATE TREASURER. THE total  
12 amount to be charged to all school districts in any 1 fiscal year  
13 shall be approximately equal to the estimated administrative  
14 expenses in connection with this act for the same fiscal year.

15 (3) Upon failure of any school district to pay the prelimi-  
16 nary qualification fee or final qualification ~~of refunding~~  
17 ~~bonds~~ fee within the time specified, the ~~superintendent of~~  
18 ~~public instruction~~ STATE TREASURER may withhold the amount of  
19 the fee from the payment of state school aid money next due the  
20 SCHOOL district.

21 SEC. 11A. ALL FEES COLLECTED UNDER THIS ACT SHALL BE DEPOS-  
22 ITED INTO A SEPARATE FUND ESTABLISHED WITHIN THE STATE TREASURY  
23 AND SHALL BE RESTRICTED TO ADMINISTERING AND ENFORCING THIS ACT.  
24 THE UNEXPENDED AND UNOBLIGATED BALANCE OF THIS FUND AT THE END OF  
25 THE FISCAL YEAR SHALL BE CARRIED FORWARD TO THE SUCCEEDING FISCAL  
26 YEAR AND SHALL NOT REVERT TO THE GENERAL FUND BUT SHALL BE  
27 AVAILABLE FOR REAPPROPRIATION FOR THE NEXT FISCAL YEAR.

1       Sec. 12. ~~Any~~ A person who ~~shall~~ knowingly ~~make any~~  
2 MAKES A false statement or ~~conceal any~~ CONCEALS A material  
3 information for the purpose of obtaining QUALIFICATION OF A BOND  
4 ISSUE UNDER THIS ACT OR FOR THE PURPOSE OF OBTAINING a loan under  
5 ~~the provisions of~~ this act, or ~~use~~ WHO KNOWINGLY USES ALL OR  
6 PART OF the proceeds of a loan ~~or any portion thereof~~ OBTAINED  
7 UNDER THIS ACT for any purpose not authorized by this act ~~shall~~  
8 ~~be~~ IS guilty of a felony.

9       Enacting section 1. Sections 4b, 4c, and 9a of 1961 PA 108,  
10 MCL 388.954b, 388.954c, and 388.959a, are repealed.

11       Enacting section 2. This amendatory act does not take  
12 effect unless Senate Bill No. \_\_\_\_\_ or House Bill No. 4877  
13 (request no. 04160'01 \*\*) of the 91st Legislature is enacted into  
14 law.