

HOUSE BILL No. 4877

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 1979 PA 94, entitled
"The state school aid act of 1979,"
(MCL 388.1601 to 388.1772) by adding section 27.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 27. (1) IN ADDITION TO THE FUNDS APPROPRIATED UNDER
2 SECTION 11, THERE IS APPROPRIATED FROM THE STATE SCHOOL AID FUND
3 AN AMOUNT NOT TO EXCEED \$51,000,000.00 EACH FISCAL YEAR FOR
4 2001-2002 AND FOR 2002-2003 FOR INFRASTRUCTURE PAYMENTS TO ELIGI-
5 BLE DISTRICTS AND INTERMEDIATE DISTRICTS UNDER THIS SECTION.

6 (2) FROM THE APPROPRIATION UNDER SUBSECTION (1), THERE IS
7 ALLOCATED AN AMOUNT NOT TO EXCEED \$30,000,000.00 EACH FISCAL YEAR
8 FOR GRANTS TO DISTRICTS UNDER THIS SUBSECTION, AS FOLLOWS:

9 (A) FOR A DISTRICT TO BE ELIGIBLE FOR A GRANT UNDER THIS
10 SUBSECTION, THE DISTRICT MUST BE DETERMINED BY THE DEPARTMENT TO
11 MEET ALL OF THE FOLLOWING:

1 (i) IS LEVYING AT LEAST 7 AND NOT MORE THAN 13 MILLS OF DEBT
2 MILLAGE, AS REQUIRED UNDER 1961 PA 108, MCL 388.951 TO 388.963,
3 FOR REPAYMENT OF QUALIFIED BONDS ISSUED AFTER JANUARY 1, 2002 FOR
4 THE COMPLETION OF A MAJOR RENOVATION PROJECT OR NEW
5 CONSTRUCTION.

6 (ii) IS AMONG THE LOWEST 10% OF DISTRICTS IN TAXABLE VALUE
7 PER MEMBERSHIP PUPIL, USING THE MOST RECENT DATA AVAILABLE AS OF
8 THE DATE THE DISTRICT APPLIES FOR THE GRANT.

9 (B) THE AMOUNT OF A GRANT UNDER THIS SUBSECTION EACH FISCAL
10 YEAR SHALL BE THE LESSER OF THE FOLLOWING:

11 (i) AN AMOUNT EQUAL TO THE SUM OF 50% OF THE INTEREST THE
12 DISTRICT IS CONTRACTUALLY OBLIGATED TO PAY DURING THAT FISCAL
13 YEAR ON QUALIFIED BONDS OF THE DISTRICT PLUS 50% OF THE AMOUNT
14 OWED TO THE SCHOOL BOND LOAN FUND FOR THAT FISCAL YEAR FOR LOANS
15 TO THE DISTRICT TO PAY FOR THE DEBT SERVICE THE DISTRICT IS CON-
16 TRACTUALLY OBLIGATED TO PAY DURING THAT FISCAL YEAR ON QUALIFIED
17 BONDS OF THE DISTRICT.

18 (ii) \$1,000,000.00.

19 (3) FROM THE APPROPRIATION UNDER SUBSECTION (1), THERE IS
20 ALLOCATED AN AMOUNT NOT TO EXCEED \$6,000,000.00 EACH FISCAL YEAR
21 FOR GRANTS TO DISTRICTS UNDER THIS SUBSECTION, AS FOLLOWS:

22 (A) FOR A DISTRICT TO BE ELIGIBLE FOR A GRANT UNDER THIS
23 SUBSECTION, THE DISTRICT MUST BE DETERMINED BY THE DEPARTMENT TO
24 MEET ALL OF THE FOLLOWING:

25 (i) HAS ISSUED QUALIFIED BONDS AND OWES MONEY TO THE SCHOOL
26 BOND LOAN FUND FOR THAT FISCAL YEAR FOR LOANS TO THE DISTRICT TO
27 PAY FOR THE DEBT SERVICE THE DISTRICT IS CONTRACTUALLY OBLIGATED

1 TO PAY DURING THAT FISCAL YEAR ON QUALIFIED BONDS OF THE
2 DISTRICT.

3 (ii) IS AMONG THE LOWEST 1/3 OF DISTRICTS IN TAXABLE VALUE
4 PER MEMBERSHIP PUPIL, USING THE MOST RECENT DATA AVAILABLE AS OF
5 THE DATE THE DISTRICT APPLIES FOR THE GRANT.

6 (iii) HAS A TAXABLE VALUE PER MEMBERSHIP PUPIL, USING THE
7 MOST RECENT DATA AVAILABLE AS OF THE DATE THE DISTRICT APPLIES
8 FOR THE GRANT, OF NOT MORE THAN \$100,000.00.

9 (iv) DOES NOT RECEIVE A PAYMENT UNDER SUBSECTION (2).

10 (B) THE AMOUNT OF A GRANT UNDER THIS SUBSECTION EACH FISCAL
11 YEAR SHALL BE CALCULATED AS FOLLOWS:

12 (i) THE INITIAL AMOUNT OF THE GRANT TO A DISTRICT IS AN
13 AMOUNT EQUAL TO 50% OF THE INTEREST THE DISTRICT IS CONTRACTUALLY
14 OBLIGATED TO PAY DURING THAT FISCAL YEAR ON QUALIFIED BONDS OF
15 THE DISTRICT. THE TOTAL AMOUNT ALLOCATED TO DISTRICTS STATEWIDE
16 UNDER THIS SUBPARAGRAPH SHALL NOT EXCEED \$2,000,000.00.

17 (ii) THE REMAINDER OF THE GRANT TO A DISTRICT IS AN AMOUNT
18 EQUAL TO 50% OF THE AMOUNT OWED TO THE SCHOOL BOND LOAN FUND FOR
19 THAT FISCAL YEAR FOR LOANS TO THE DISTRICT TO PAY FOR THE DEBT
20 SERVICE THE DISTRICT IS CONTRACTUALLY OBLIGATED TO PAY DURING
21 THAT FISCAL YEAR ON QUALIFIED BONDS OF THE DISTRICT. THE TOTAL
22 AMOUNT ALLOCATED TO DISTRICTS STATEWIDE UNDER THIS SUBPARAGRAPH
23 SHALL NOT EXCEED \$4,000,000.00. THE COMPONENT OF THE PAYMENT
24 THAT IS CALCULATED UNDER THIS SECTION SHALL BE PRORATED AS NECES-
25 SARY ON AN EQUAL PERCENTAGE BASIS.

26 (4) FROM THE APPROPRIATION UNDER SUBSECTION (1), THERE IS
27 ALLOCATED AN AMOUNT NOT TO EXCEED \$15,000,000.00 EACH FISCAL YEAR

1 FOR GRANTS TO DISTRICTS AND INTERMEDIATE DISTRICTS UNDER THIS
2 SUBSECTION, AS FOLLOWS:

3 (A) FOR A DISTRICT OR INTERMEDIATE DISTRICT TO BE ELIGIBLE
4 FOR A GRANT UNDER THIS SUBSECTION, THE DISTRICT OR INTERMEDIATE
5 DISTRICT MUST BE DETERMINED BY THE DEPARTMENT TO MEET ALL OF THE
6 FOLLOWING:

7 (i) IS LEVYING AT LEAST 2 MILLS OF DEBT MILLAGE FOR REPAY-
8 MENT OF BONDS ISSUED AFTER JANUARY 1, 2002 FOR THE COMPLETION OF
9 A MAJOR RENOVATION PROJECT OR NEW CONSTRUCTION, WHETHER OR NOT
10 THE BONDS ARE QUALIFIED BONDS, AND IS LEVYING LESS THAN 7 MILLS
11 TOTAL DEBT MILLAGE FOR REPAYMENT OF BONDS.

12 (ii) IS AMONG THE LOWEST 10% OF DISTRICTS OR INTERMEDIATE
13 DISTRICTS IN TAXABLE VALUE PER MEMBERSHIP PUPIL, USING THE MOST
14 RECENT DATA AVAILABLE AS OF THE DATE THE DISTRICT OR INTERMEDIATE
15 DISTRICT APPLIES FOR THE GRANT.

16 (iii) DOES NOT RECEIVE A PAYMENT UNDER SUBSECTION (2).

17 (B) THE AMOUNT OF A GRANT UNDER THIS SUBSECTION EACH FISCAL
18 YEAR SHALL BE THE LESSER OF THE FOLLOWING:

19 (i) AN AMOUNT EQUAL TO 50% OF THE INTEREST THE DISTRICT OR
20 INTERMEDIATE DISTRICT IS CONTRACTUALLY OBLIGATED TO PAY DURING
21 THAT FISCAL YEAR ON THE BONDS DESCRIBED IN SUBDIVISION (A)(i).

22 (ii) \$1,000,000.00.

23 (5) A DISTRICT OR INTERMEDIATE DISTRICT SHALL APPLY TO THE
24 DEPARTMENT FOR A GRANT UNDER THIS SECTION NOT LATER THAN THE DATE
25 PRESCRIBED BY THE DEPARTMENT EACH FISCAL YEAR IN THE FORM AND
26 MANNER PRESCRIBED BY THE DEPARTMENT.

1 (6) EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, IF THE
2 AMOUNT ALLOCATED UNDER SUBSECTION (2), (3), OR (4) IS
3 INSUFFICIENT TO FULLY FUND PAYMENTS TO ALL ELIGIBLE DISTRICTS OR
4 INTERMEDIATE DISTRICTS, THE DEPARTMENT SHALL FULLY FUND PAYMENTS
5 TO AS MANY ELIGIBLE DISTRICTS AND INTERMEDIATE DISTRICTS AS POS-
6 SIBLE IN THE ORDER IN WHICH THE APPLICATIONS WERE RECEIVED.

7 (7) AS USED IN THIS SECTION:

8 (A) "DEBT SERVICE" MEANS THE PRINCIPAL AND INTEREST OWED BY
9 A DISTRICT ON OUTSTANDING QUALIFIED BONDS OR SCHOOL BOND LOAN
10 FUND BALANCE FOR WHICH THE DISTRICT IS ELIGIBLE TO RECEIVE AN
11 ALLOCATION UNDER THIS SECTION.

12 (B) "DISTRICT" DOES NOT INCLUDE A PUBLIC SCHOOL ACADEMY OR
13 UNIVERSITY SCHOOL.

14 (C) "QUALIFIED BONDS" MEANS THAT TERM AS DEFINED IN SECTION
15 1 OF 1961 PA 108, MCL 388.951.

16 (D) "SCHOOL BOND LOAN FUND" MEANS THAT FUND AS CREATED UNDER
17 1961 PA 112, MCL 388.981 TO 388.985.

18 (E) "TAXABLE VALUE PER MEMBERSHIP PUPIL" MEANS THE
19 DISTRICT'S TAXABLE VALUE, AS CERTIFIED BY THE DEPARTMENT OF TREA-
20 SURY, FOR THE CALENDAR YEAR ENDING IN THE CURRENT STATE FISCAL
21 YEAR DIVIDED BY THE DISTRICT'S MEMBERSHIP FOR THE SCHOOL YEAR
22 ENDING IN THE CURRENT STATE FISCAL YEAR.

23 Enacting section 1. This amendatory act does not take
24 effect unless Senate Bill No. _____ or House Bill No. 4876
25 (request no. 04154'01 **) of the 91st Legislature is enacted into
26 law.