

HOUSE BILL No. 5413

November 1, 2001, Introduced by Rep. Vear and referred to the Committee on Commerce.

A bill to amend 1976 PA 451, entitled
"The revised school code,"
by amending section 1351 (MCL 380.1351), as amended by 1997 PA
152.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1351. (1) Until May 1, 1994, a school district may
2 borrow money and issue bonds of the district to defray all or a
3 part of the cost of purchasing, erecting, completing, remodeling,
4 improving, furnishing, refurnishing, equipping, or reequipping
5 school buildings, including library buildings, structures, ath-
6 letic fields, playgrounds, or other facilities, or parts of or
7 additions to those facilities; acquiring, preparing, developing,
8 or improving sites, or parts of or additions to sites, for school
9 buildings, including library buildings, structures, athletic
10 fields, playgrounds, or other facilities; purchasing school

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1 buses; participating in the administrative costs of an urban
2 renewal program through which the school district desires to
3 acquire a site or addition to a site for school purposes; refund-
4 ing all or part of existing bonded indebtedness; or accomplishing
5 a combination of the purposes set forth in this subsection. In
6 addition, until December 31, 1991 a school district may borrow
7 money and issue bonds to defray all or part of the cost of pur-
8 chasing textbooks.

9 (2) Except as otherwise provided in this subsection, a
10 school district shall not borrow money or issue bonds for a sum
11 that, together with the total outstanding bonded indebtedness of
12 the district, exceeds 5% of the ~~state equalized valuation~~
13 TAXABLE VALUE of the taxable property within the district, unless
14 the proposition of borrowing the money or issuing the bonds is
15 submitted to a vote of the school electors of the district at an
16 annual or special election and approved by the majority of the
17 school electors voting on the question. Regardless of the amount
18 of outstanding bonded indebtedness of the school district, a vote
19 of the school electors is not necessary in order to issue bonds
20 for a purpose described in section 1274a or to issue bonds under
21 section 11i of the state school aid act of 1979, 1979 PA 94, MCL
22 388.1611i. For the purposes of this subsection, bonds issued
23 under section 11i of the state school aid act of 1979, 1979 PA
24 94, MCL 388.1611i, shall not be included in computing the total
25 outstanding bonded indebtedness of a school district.

26 (3) A school district shall not issue bonds under this part
27 for an amount greater than 15% of the total ~~assessed valuation~~

1 TAXABLE VALUE of the district, except as provided in section
2 1356. The bonded indebtedness of a district shall not extend
3 beyond a period of 30 years. Refunding bonds or the refunding
4 part of a bond issue shall not be considered to be within the 15%
5 limitation but shall be considered to be authorized in addition
6 to the 15% limitation. A bond qualified under section 16 of
7 article IX of the state constitution of 1963 and implementing
8 legislation shall not be included for purposes of calculating the
9 15% limitation. Bonds issued ~~pursuant to~~ UNDER this part are
10 subject to the ~~municipal finance act, 1943 PA 202, MCL 131.1 to~~
11 ~~139.3~~ REVISED MUNICIPAL FINANCE ACT, 2001 PA 34, MCL 141.2101 TO
12 141.2821, except that bonds issued for a purpose described in
13 section 1274a may be sold at a public or publicly negotiated sale
14 at the time or times, at the price or prices, and at a discount
15 as determined by the board of the school district.

16 (4) Bonds or notes issued by a school district or intermedi-
17 ate school district under this part or section 442, 629, or 1274a
18 shall be full faith and credit tax limited obligations of the
19 district pledging the general funds, voted and allocated tax
20 levies, or any other money available for such a purpose and shall
21 not allow or provide for the levy of additional millage for pay-
22 ment of the bond or note without a vote of the qualified elector-
23 ate of the district.