

HOUSE BILL No. 5414

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

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

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1351a. (1) Beginning with bonds issued after May 1,
2 1994, a school district ~~may~~ SHALL not borrow money and issue
3 bonds of the district under section 1351(1). However, a school
4 district may borrow money and issue bonds of the district to
5 defray all or a part of the cost of purchasing, erecting, com-
6 pleting, remodeling, or equipping or reequipping, except for
7 equipping or reequipping for technology, school buildings,
8 including library buildings, structures, athletic fields,
9 playgrounds, or other facilities, or parts of or additions to
10 those facilities; furnishing or refurnishing new or remodeled

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1 school buildings; acquiring, preparing, developing, or improving
2 sites, or parts of or additions to sites, for school buildings,
3 including library buildings, structures, athletic fields, play-
4 grounds, or other facilities; purchasing school buses; acquiring,
5 installing, or equipping or reequipping school buildings for
6 technology; refunding all or part of existing bonded indebtedness
7 if the net present value of the principal and interest to be paid
8 on the refunding bonds, excluding the cost of issuance, will be
9 less than the net present value of the principal and interest to
10 be paid on the bonds being refunded, as calculated using a method
11 approved by the department of treasury; or accomplishing a combi-
12 nation of the purposes set forth in this subsection. Section
13 1351(2) to (4) applies to bonds issued under this section.

14 (2) The proceeds of bonds issued under this section or under
15 section 11i of the state school aid act of 1979, 1979 PA 94, MCL
16 388.1611i, shall be used for capital expenditures and to pay
17 costs of bond issuance, and shall not be used for maintenance
18 costs. Except as otherwise provided in this subsection, a school
19 district that issues bonds under this section or under section
20 11i of the state school aid act of 1979, 1979 PA 94, MCL
21 388.1611i, shall have an independent audit, using generally
22 accepted accounting principles, of its bonding activities under
23 these sections conducted within 120 days after completion of all
24 projects financed by the proceeds of the bonds and shall submit
25 the audit report to the department of treasury. For bonds issued
26 under section 11i of the state school aid act of 1979, 1979 PA
27 94, MCL 388.1611i, the independent audit required under this

1 subsection may be conducted and submitted with the annual report
2 required under ~~section 5 of chapter III of the municipal finance~~
3 ~~act, 1943 PA 202, MCL 133.5~~ THE REVISED MUNICIPAL FINANCE ACT,
4 2001 PA 34, MCL 141.2101 TO 141.2821.

5 (3) Bonds issued under this section or under section 11i of
6 the state school aid act of 1979, 1979 PA 94, MCL 388.1611i, for
7 an asset with a useful life of less than 30 years shall not be
8 issued for a term that is longer than the useful life of the
9 asset.

10 (4) A school district shall not borrow money and issue notes
11 or bonds under this section to defray all or part of the costs of
12 any of the following:

13 (a) Upgrades to operating system or application software.

14 (b) Media, including diskettes, compact discs, video tapes,
15 and disks, unless used for the storage of initial operating
16 system software or customized application software included in
17 the definition of technology under this section.

18 (c) Training, consulting, maintenance, service contracts,
19 software upgrades, troubleshooting, or software support.

20 (5) A resident of a school district has standing to bring
21 suit against the school district to enforce the provisions of
22 this section in a court having jurisdiction.

23 (6) As used in this section, "technology" means any of the
24 following:

25 (a) Hardware and communication devices that transmit,
26 receive, or compute information for pupil instructional
27 purposes.

1 (b) The initial purchase of operating system software or
2 customized application software, or both, accompanying the pur-
3 chase of hardware and communication devices under
4 subdivision (a).

5 (c) The costs of design and installation of the hardware,
6 communication devices, and initial operating system software or
7 customized application software authorized under this
8 subsection.