

HOUSE BILL No. 5419

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

A bill to amend 1979 PA 94, entitled
"The state school aid act of 1979,"
by amending section 17a (MCL 388.1617a), as amended by 1996
PA 300.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 17a. (1) The department may withhold all or part of
2 any payment that a district or intermediate district is entitled
3 to receive under this act to the extent the withholdings are a
4 component part of a plan, developed and implemented pursuant to
5 ~~chapter IX of the municipal finance act, Act No. 202 of the~~
6 ~~Public Acts of 1943, being sections 139.1 to 139.3 of the~~
7 ~~Michigan Compiled Laws~~ THE REVISED MUNICIPAL FINANCE ACT, 2001
8 PA 34, MCL 141.2101 TO 141.2821, or other statutory authority,
9 for financing an outstanding obligation upon which the district
10 or intermediate district defaulted. Amounts withheld shall be

1 used to pay, on behalf of the district or intermediate district,
2 unpaid amounts or subsequently due amounts, or both, of principal
3 and interest on the outstanding obligation upon which the dis-
4 trict or intermediate district defaulted.

5 (2) Under an agreement entered into by a district or inter-
6 mediate district assigning all or a portion of the payment that
7 it is eligible to receive under this act to the Michigan municipi-
8 pal bond authority or to the trustee of a pooled arrangement or
9 pledging ~~such~~ THE amount for payment of an obligation it
10 incurred with the Michigan municipal bond authority or with the
11 trustee of a pooled arrangement, the state treasurer shall trans-
12 mit to the Michigan municipal bond authority or a trustee desig-
13 nated by the authority or to the trustee of a pooled arrangement
14 the amount of the payment ~~which~~ THAT is assigned or pledged
15 under the agreement. Notwithstanding the payment dates pre-
16 scribed by this act for distributions under this act, the state
17 treasurer may advance all or part of a payment ~~which~~ THAT is
18 dedicated for distribution or for which the appropriation autho-
19 rizing the payment has been made if and to the extent, under the
20 terms of an agreement entered into by a district or intermediate
21 district and the Michigan municipal bond authority, the payment
22 ~~which~~ THAT the district or intermediate district is eligible to
23 receive has been assigned to or pledged for payment of an obliga-
24 tion it incurred with the Michigan municipal bond authority.
25 This subsection does not require the state to make an appropria-
26 tion to any school district or intermediate school district and
27 shall not be construed as creating an indebtedness of the state,

1 and any agreement made pursuant to this subsection shall contain
2 a statement to that effect. As used in this subsection, "trustee
3 of a pooled arrangement" means the trustee of a trust approved by
4 the state treasurer and, subject to the conditions and require-
5 ments of that approval, established for the purpose of offering
6 for sale, as part of a pooled arrangement, certificates repre-
7 senting undivided interests in notes issued by districts or
8 intermediate districts under section 1225 of the revised school
9 code, ~~being section 380.1225 of the Michigan Compiled Laws~~ 1976
10 PA 451, MCL 380.1225. If a trustee applies to the state trea-
11 surer for approval of a trust for the purposes of this subsec-
12 tion, the state treasurer shall approve or disapprove the trust
13 within 10 days after receipt of the application.