

# HOUSE BILL No. 5420

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

A bill to amend 1966 PA 331, entitled  
"Community college act of 1966,"  
by amending section 122 (MCL 389.122), as amended by 1984  
PA 148.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 122. The board of trustees may DO ALL OF THE  
2 FOLLOWING:  
3       (a) Borrow, subject to the provisions of the ~~municipal~~  
4 ~~finance act, Act No. 202 of the Public Acts of 1943, as amended,~~  
5 ~~being sections 131.1 to 139.3 of the Michigan Compiled Laws~~  
6 REVISED MUNICIPAL FINANCE ACT, 2001 PA 34, MCL 141.2101 TO  
7 141.2821, for community college purposes, including capital  
8 expenditures, ~~such sums of money and on such~~ THE terms ~~as~~  
9 it ~~deems~~ CONSIDERS desirable and give notes of the district  
10 ~~therefor~~ FOR THOSE PURPOSES. ~~When the borrowing by~~ IF a

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1 newly organized community college district ~~is~~ BORROWS in  
 2 anticipation of the collection of the first tax levy of ~~such~~  
 3 THE district, the loan shall not exceed 50% of the estimated  
 4 amount of the first tax levy.

5 (b) Borrow, subject to the ~~provisions of the municipal~~  
 6 ~~finance act, Act No. 202 of the Public Acts of 1943, as amended~~  
 7 REVISED MUNICIPAL FINANCE ACT, 2001 PA 34, MCL 141.2101 TO  
 8 141.2821, ~~such sums of~~ money as it ~~deems~~ CONSIDERS necessary  
 9 and issue bonds of the community college district, ~~therefor,~~ to  
 10 purchase sites for buildings, playgrounds, athletic fields, or  
 11 agricultural farms; to purchase or erect and equip any building  
 12 or buildings ~~, which~~ THAT it is authorized to purchase and  
 13 erect; to make any permanent improvement ~~which~~ THAT it is  
 14 authorized to make; or in part to refund existing bonded indebt-  
 15 edness, and in part for any of ~~the aforesaid~~ THESE purposes. A  
 16 loan shall not be made and bonds shall not be issued for any sum  
 17 ~~which~~ THAT, together with the total outstanding bonded indebt-  
 18 edness of the district, including bonds voted but not issued,  
 19 exceeds the total of 1-<1/2>% of the first \$250,000,000.00 plus 1% of  
 20 the excess over \$250,000,000.00 of the last confirmed ~~state~~  
 21 ~~equalized valuation~~ TAXABLE VALUE of all taxable property in the  
 22 district unless the proposition of making the loan or of issuing  
 23 bonds has been submitted first to a vote of the qualified elec-  
 24 tors of the district, at a general or special election, and  
 25 approved by the majority of the electors voting ~~thereon~~ AT THE  
 26 ELECTION, in which event loans may be made or bonds may be issued  
 27 in an amount not to exceed 15% of the total ~~state equalized~~

1 ~~valuation~~ TAXABLE VALUE of the district. The refunding part of  
2 any bond issue shall not be included within the limitations but  
3 shall be ~~deemed~~ CONSIDERED to be authorized in addition  
4 ~~thereto~~ TO THAT LIMITATION. ~~The bonded indebtedness of the~~  
5 ~~district shall not extend beyond a period of 30 years for money~~  
6 ~~borrowed. Bonds or obligations issued under this act shall not~~  
7 ~~be purchased by the state.~~

8 (c) Provide for energy conservation improvements to be made  
9 to community college facilities and may pay for the improvements  
10 from operating funds of the district or from the savings ~~which~~  
11 THAT result from the energy conservation improvements. Energy  
12 conservation improvements may include, but are not limited to,  
13 heating system improvements, fenestration improvements, roof  
14 improvements, the installation of any insulation, the installa-  
15 tion or repair of heating or air conditioning controls, and  
16 entrance or exit way closures. The board of trustees may acquire  
17 1 or more energy conservation improvements by installment con-  
18 tract or may borrow money and issue notes for the purpose of  
19 securing funds for the improvements or may enter into contracts  
20 in which the cost of the energy conservation improvements is paid  
21 from a portion of the savings ~~which~~ THAT result from the energy  
22 conservation improvements. These contractual agreements may pro-  
23 vide that the cost of the energy conservation improvements are  
24 paid only if the energy savings are sufficient to cover their  
25 cost. An installment contract or notes issued pursuant to this  
26 subdivision shall extend for a period of time not to exceed 10  
27 years. Notes issued pursuant to this subdivision shall be full

1 faith and credit, tax limited obligations of the community  
2 college district, payable from tax levies and the general fund as  
3 pledged by the board of trustees. The notes ~~shall be~~ ARE  
4 subject to the ~~municipal finance act, Act No. 202 of the Public~~  
5 ~~Acts of 1943~~ REVISED MUNICIPAL FINANCE ACT, 2001 PA 34,  
6 MCL 141.2101 TO 141.2821. ~~The notes shall bear interest at a~~  
7 ~~rate determined by the board of trustees, not to exceed the rate~~  
8 ~~provided in section 1a of chapter III of the municipal finance~~  
9 ~~act, Act No. 202 of the Public Acts of 1943, being section 133.1a~~  
10 ~~of the Michigan Compiled Laws.~~ This subdivision does not limit  
11 in any manner the borrowing or bonding authority of a community  
12 college as provided by law.