

SUBSTITUTE FOR
SENATE BILL NO. 410

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 2002 PA 71.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 17a. (1) The department may withhold all or part of any
2 payment that a district or intermediate district is entitled to
3 receive under this act to the extent the withholdings are a
4 component part of a plan, developed and implemented pursuant to the
5 revised municipal finance act, 2001 PA 34, MCL 141.2101 to
6 141.2821, or other statutory authority, for financing an
7 outstanding obligation upon which the district or intermediate
8 district defaulted. Amounts withheld shall be used to pay, on
9 behalf of the district or intermediate district, unpaid amounts or
10 subsequently due amounts, or both, of principal and interest on the
11 outstanding obligation upon which the district or intermediate

1 district defaulted.

2 (2) THE STATE TREASURER MAY WITHHOLD ALL OR PART OF ANY
3 PAYMENT THAT A DISTRICT OR INTERMEDIATE DISTRICT IS ENTITLED TO
4 RECEIVE UNDER THIS ACT TO THE EXTENT AUTHORIZED OR REQUIRED UNDER
5 SECTION 15 OF THE SCHOOL BOND QUALIFICATION, APPROVAL, AND LOAN
6 ACT.

7 (3) ~~—(2)—~~ Under an agreement entered into by a district or
8 intermediate district assigning all or a portion of the payment
9 that it is eligible to receive under this act to the Michigan
10 municipal bond authority or to the trustee of a pooled arrangement
11 or pledging the amount for payment of an obligation it incurred
12 with the Michigan municipal bond authority or with the trustee of a
13 pooled arrangement, the state treasurer shall transmit to the
14 Michigan municipal bond authority or a trustee designated by the
15 authority or to the trustee of a pooled arrangement the amount of
16 the payment that is assigned or pledged under the agreement.
17 Notwithstanding the payment dates prescribed by this act for
18 distributions under this act, the state treasurer may advance all
19 or part of a payment that is dedicated for distribution or for
20 which the appropriation authorizing the payment has been made if
21 and to the extent, under the terms of an agreement entered into by
22 a district or intermediate district and the Michigan municipal bond
23 authority, the payment that the district or intermediate district
24 is eligible to receive has been assigned to or pledged for payment
25 of an obligation it incurred with the Michigan municipal bond
26 authority. This subsection does not require the state to make an
27 appropriation to any school district or intermediate school

1 district and shall not be construed as creating an indebtedness of
2 the state, and any agreement made pursuant to this subsection shall
3 contain a statement to that effect. As used in this subsection,
4 "trustee of a pooled arrangement" means the trustee of a trust
5 approved by the state treasurer and, subject to the conditions and
6 requirements of that approval, established for the purpose of
7 offering for sale, as part of a pooled arrangement, certificates
8 representing undivided interests in notes issued by districts or
9 intermediate districts under section 1225 of the revised school
10 code, 1976 PA 451, MCL 380.1225. If a trustee applies to the state
11 treasurer for approval of a trust for the purposes of this
12 subsection, the state treasurer shall approve or disapprove the
13 trust within 10 days after receipt of the application.

14 Enacting section 1. This amendatory act does not take effect
15 unless all of the following bills of the 93rd Legislature are
16 enacted into law:

- 17 (a) Senate Bill No. 406.
- 18 (b) Senate Bill No. 407.
- 19 (c) Senate Bill No. 408.
- 20 (d) Senate Bill No. 411.