

# HOUSE BILL No. 6236

June 21, 2006, Introduced by Rep. Booher and referred to the Committee on Education.

A bill to amend 1976 PA 451, entitled  
"The revised school code,"  
by amending section 1351 (MCL 380.1351), as amended by 2003 PA 299.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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

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

8 (2) Except as otherwise provided in this subsection, a school  
 9 district shall not borrow money or issue bonds for a sum that,  
 10 together with the total outstanding bonded indebtedness of the  
 11 district, exceeds 5% of the state equalized valuation of the  
 12 taxable property within the district, unless the proposition of  
 13 borrowing the money or issuing the bonds is submitted to a vote of  
 14 the school electors of the district at a regular or special school  
 15 election and approved by the majority of the school electors voting  
 16 on the question. Regardless of the amount of outstanding bonded  
 17 indebtedness of the school district, a vote of the school electors  
 18 is not necessary in order to issue bonds for a purpose described in  
 19 section 1274a, ~~or~~ to issue bonds under section 11i of the state  
 20 school aid act of 1979, MCL 388.1611i, **OR TO ISSUE QUALIFIED ZONE**  
 21 **ACADEMY BONDS, AS DEFINED IN SECTION 1397E OF THE INTERNAL REVENUE**  
 22 **CODE, 26 USC 1397E.** For the purposes of this subsection, ~~bonds~~  
 23 ~~issued under section 11i of the state school aid act of 1979, MCL~~  
 24 ~~388.1611i,~~ **THE FOLLOWING TYPES OF BONDS** shall not be included in  
 25 computing the total outstanding bonded indebtedness of a school  
 26 district: —

27 (A) BONDS ISSUED UNDER SECTION 11I OF THE STATE SCHOOL AID ACT

1 OF 1979, MCL 388.1611I.

2 (B) QUALIFIED ZONE ACADEMY BONDS, AS DEFINED IN SECTION 1397E  
3 OF THE INTERNAL REVENUE CODE, 26 USC 1397E.

4 (3) A school district shall not issue bonds under this part  
5 for an amount greater than 15% of the total assessed valuation of  
6 the district, except as provided in section 1356. A bond qualified  
7 under section 16 of article IX of the state constitution of 1963  
8 and implementing legislation shall not be included for purposes of  
9 calculating the 15% limitation. Bonds issued under this part are  
10 subject to the revised municipal finance act, 2001 PA 34, MCL  
11 141.2101 to 141.2821, except that bonds issued for a purpose  
12 described in section 1274a may be sold at a public or publicly  
13 negotiated sale at the time or times, at the price or prices, and  
14 at a discount as determined by the board of the school district.

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