

SENATE BILL No. 409

April 21, 2005, Introduced by Senators OLSHOVE, EMERSON and CHERRY and referred to the Committee on Appropriations.

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,

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

9 (2) Except as otherwise provided in this subsection, a school
10 district shall not borrow money or issue bonds for a sum that,
11 together with the total outstanding bonded indebtedness of the
12 district, exceeds 5% of the state equalized valuation of the
13 taxable property within the district, unless the proposition of
14 borrowing the money or issuing the bonds is submitted to a vote of
15 the school electors of the district at a regular or special school
16 election and approved by the majority of the school electors voting
17 on the question. Regardless of the amount of outstanding bonded
18 indebtedness of the school district, a vote of the school electors
19 is not necessary in order to issue bonds for a purpose described in
20 section 1274a, ~~or~~ to issue bonds under section 11i of the state
21 school aid act of 1979, MCL 388.1611i, **OR TO ISSUE BONDS THAT HAVE**
22 **BEEN APPROVED AS REVOLVING FUND SECURED BONDS UNDER THE SCHOOL BOND**
23 **QUALIFICATION, APPROVAL, AND LOAN ACT.** For the purposes of this
24 subsection, bonds issued under section 11i of the state school aid
25 act of 1979, MCL 388.1611i, **AND BONDS THAT HAVE BEEN APPROVED AS**
26 **REVOLVING FUND SECURED BONDS UNDER THE SCHOOL BOND QUALIFICATION,**
27 **APPROVAL, AND LOAN ACT** shall not be included in computing the total

1 outstanding bonded indebtedness of a school district.

2 (3) A school district shall not issue bonds under this part
3 for an amount greater than 15% of the total assessed valuation of
4 the district, except as provided in section 1356. A bond qualified
5 under section 16 of article IX of the state constitution of 1963
6 and implementing legislation **AND BONDS THAT HAVE BEEN APPROVED AS**
7 **REVOLVING FUND SECURED BONDS UNDER THE SCHOOL BOND QUALIFICATION,**
8 **APPROVAL, AND LOAN ACT** 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.

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

25 (a) Senate Bill No. 406.

26
27 (b) Senate Bill No. 407.

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2 (c) Senate Bill No. 410.

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4 (d) Senate Bill No. 411.

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6 (e) Senate Bill No. 408.

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