

THE REVISED SCHOOL CODE (EXCERPT)
Act 451 of 1976

380.1351 Borrowing money and issuing bonds; purposes; limitations; bonds or notes as full faith and credit tax limited obligations.

Sec. 1351. (1) Until May 1, 1994, a school district may borrow money and issue bonds of the district to defray all or a part of the cost of purchasing, erecting, completing, remodeling, improving, furnishing, refurnishing, equipping, or reequipping school buildings, including library buildings, structures, athletic fields, playgrounds, or other facilities, or parts of or additions to those facilities; acquiring, preparing, developing, or improving sites, or parts of or additions to sites, for school buildings, including library buildings, structures, athletic fields, playgrounds, or other facilities; purchasing school buses; participating in the administrative costs of an urban renewal program through which the school district desires to acquire a site or addition to a site for school purposes; refunding all or part of existing bonded indebtedness; or accomplishing a combination of the purposes set forth in this subsection. In addition, until December 31, 1991 a school district may borrow money and issue bonds to defray all or part of the cost of purchasing textbooks.

(2) Except as otherwise provided in this subsection, a school district shall not borrow money or issue bonds for a sum that, together with the total outstanding bonded indebtedness of the district, exceeds 5% of the state equalized valuation of the taxable property within the district, unless the proposition of borrowing the money or issuing the bonds is submitted to a vote of the school electors of the district at a regular or special school election and approved by the majority of the school electors voting on the question. Regardless of the amount of outstanding bonded indebtedness of the school district, a vote of the school electors is not necessary in order to issue bonds for a purpose described in section 1274a, to issue bonds under section 11i of the state school aid act of 1979, MCL 388.1611i, or, if the school district has fewer than 1,100 pupils in membership in 2006 and is located in a county with a population of less than 30,500 as of the 2000 decennial census, to issue qualified zone academy bonds. For the purposes of this subsection, the following types of bonds shall not be included in computing the total outstanding bonded indebtedness of a school district:

(a) Bonds issued under section 11i of the state school aid act of 1979, MCL 388.1611i.

(b) If the school district has fewer than 1,100 pupils in membership in 2006 and is located in a county with a population of less than 30,500 as of the 2000 decennial census, qualified zone academy bonds.

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

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

(5) As used in this section, "qualified zone academy bond" means that term as defined in section 1397e of the internal revenue code, 26 USC 1397e.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977;—Am. 1977, Act 43, Imd. Eff. June 29, 1977;—Am. 1985, Act 22, Imd. Eff. May 20, 1985;—Am. 1990, Act 352, Imd. Eff. Dec. 26, 1990;—Am. 1997, Act 152, Imd. Eff. Dec. 22, 1997;—Am. 2002, Act 67, Imd. Eff. Mar. 15, 2002;—Am. 2003, Act 299, Eff. Jan. 1, 2005;—Am. 2006, Act 680, Imd. Eff. Jan. 10, 2007.

Popular name: Act 451