

THE REVISED SCHOOL CODE (EXCERPT)
Act 451 of 1976

380.864 Assumption of bonded indebtedness of consolidated school district; payment; liability; certification and levy of taxes; election.

Sec. 864. (1) Beginning 3 years after the consolidation election, a consolidated school district may assume and pay the obligation of the bonded indebtedness of an original school district which joined the consolidation from the proceeds of a debt retirement tax levy spread uniformly over the territory of the consolidated school district if the school electors of the district approve the assumption of the bonded indebtedness. Assumption of bonded indebtedness of an original school district shall not release the territory of the original school district from the final responsibility of paying the obligation to bondholders.

(2) If the bonded indebtedness of an original school district is assumed, the board of the consolidated school district shall certify and order the levy of taxes for the bonded indebtedness equivalent in terms of money to those required by the terms under which the indebtedness was originally incurred, and shall carry out provisions of the original bond contract. Following the effective date of consolidation a question of assuming bonded indebtedness of an original school district may be presented at an election to issue new bonds of the consolidated school district.

History: 1976, Act 451, Imd. Eff. Jan. 13, 1977.

Popular name: Act 451