STATE LOANS TO SCHOOL DISTRICTS (EXCERPT)
Act 151 of 1955

388.934 State loans to school districts; procedure; receipts.

Sec. 4. In any school district where the amount necessary to be levied in any calendar year for principal and interest on qualified bonds, shall exceed 13 mills on each dollar of its assessed valuation as last equalized by the state, such school district on or before 60 days prior to the time of the certification of its tax levy to the assessing officer, may file with the superintendent of public instruction a preliminary application for a loan from the state: Provided, That if the excess over 13 mills is reached or increased by reason of bonds voted within said 60 day period, an original or amended application shall be filed within said period. Such application shall set forth the amount of the last state equalized valuation of the school district, the amount of principal and interest on qualified bonds necessary to be levied upon the tax roll of such year, the amount of any moneys on hand pledged to and available for the payment of such principal and interest, the probable delinquency in tax collections at the times such principal and interest will become due, the estimated amount of the loan which will be required from the state and any other pertinent facts which may be required to be included therein by the superintendent of public instruction. The superintendent of public instruction shall examine said application as soon as possible and notify the school district of any erroneous statements or assumptions therein. If a loan from the state shall become necessary for the payment of such principal and interest, then the school district shall file a supplemental application with the superintendent of public instruction setting forth the amount of the tax collections to the date of said application, an estimate of probable collections prior to the time when such principal and interest will become due and the amount of the loan necessary from the state. Such supplemental application shall be made not less than 30 days prior to the time when the proceeds of the loan will be necessary in order to pay maturing principal and/or interest. Upon receipt of such supplemental application it shall be the duty of the superintendent of public instruction after auditing the same, to forward to the state treasurer a statement setting forth the amount to be loaned to the school district for the payment of principal and interest and the date on or before which such loan shall be made. He shall also prepare the proper voucher as a basis for the issuance of the necessary warrant in accordance with state accounting practices. Upon receipt of such statement and warrant, it shall be the duty of the state treasurer to loan to the school district from “the school bond loan fund” the amount set forth in the statement of the superintendent of public instruction on or before the date specified therein. The state treasurer upon the making of said loan shall obtain from the school district a receipt for the amount so loaned, which receipt shall specify the terms of repayment in accordance with the provisions of said section 27 and this act. Upon receipt by any school district of such a loan it shall be the duty of the treasurer thereof to cause the same to be deposited in the debt retirement fund and used solely for the payment of principal and interest on qualified bonds.

History: 1955, Act 151, Imd. Eff. June 7, 1955.

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