
Senate Fiscal Agency
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SFA**BILL ANALYSIS**

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Senate Bill 485 (Substitute S-1 as reported)
Sponsor: Senator Leon Stille
Committee: Local, Urban and State Affairs

CONTENT

The bill would amend Chapter 7 (Tax Levies, Debt Retirement, and Sinking Fund) of the Municipal Finance Act to permit debt retirement funds created for the following categories of debt to be pooled or combined for deposit or investment purposes with other debt retirement funds created for the same category of debt: voted bonds; nonvoted bonds, other than special assessment bonds; and special assessment bonds.

The Act currently requires that debt retirement funds, except in the case of a common debt retirement fund maintained by a school district pursuant to the Revised School Code, be kept separate from each other and from other money of the municipality and, except as otherwise provided in the Act, be used only to retire a municipality's funded indebtedness for which the debt retirement fund was created.

MCL 137.1b

Legislative Analyst: L. Arasim

FISCAL IMPACT

The bill would have no fiscal impact on State government. Municipalities would reduce bank- related expenses and receive higher returns on investments.

Date Completed: 5-10-99

Fiscal Analyst: R. Ross