

HOUSE BILL No. 6064

May 6, 2008, Introduced by Rep. Gillard 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 2006 PA 680.

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, to issue bonds under section 11i **OR 11N** of the state
21 school aid act of 1979, MCL 388.1611i **AND 388.1611N**, or, if the
22 school district has fewer than 1,100 pupils in membership in 2006
23 and is located in a county with a population of less than 30,500 as
24 of the 2000 decennial census, to issue qualified zone academy
25 bonds. For the purposes of this subsection, the following types of
26 bonds shall not be included in computing the total outstanding
27 bonded indebtedness of a school district:

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

3 (B) BONDS ISSUED UNDER SECTION 11N OF THE STATE SCHOOL AID ACT
4 OF 1979, MCL 388.1611N.

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

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

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

27 (5) As used in this section, "qualified zone academy bond"

1 means that term as defined in section 1397e of the internal revenue
2 code, 26 USC 1397e.